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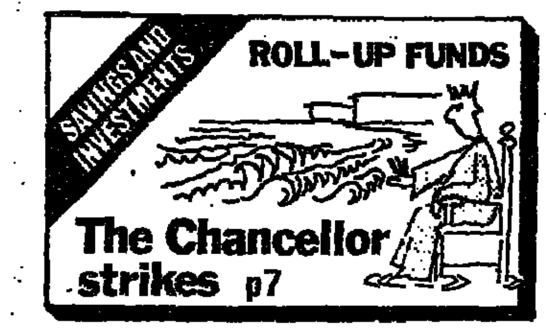
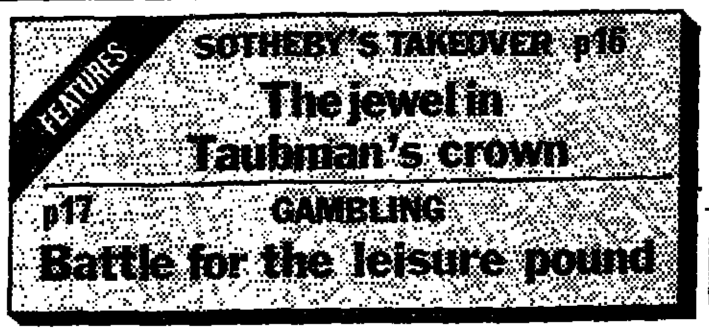
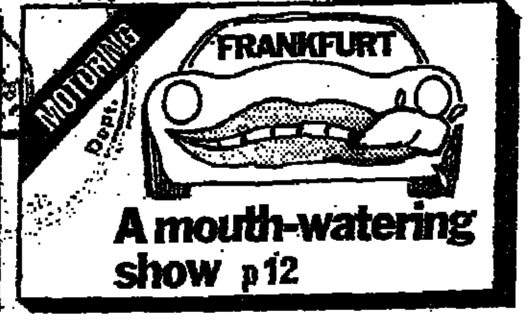






NEWS SUMMARY

GENERAL

Steel to begin comeback campaign

Liberal Party leader David Steel today starts a campaign to reassert his position after a three-month sabbatical.

A difficult week will culminate in a joint appearance with SDP leader Dr David Owen, to *emphasise the close bonds of* the Alliance, after an address to the Liberal Assembly on Friday.

Friends say he is on top form after his illness and the bitter party squabbles during the *summer, and determined to stay* on as leader. Page 3

Walesa's plan

Lech Walesa suggested that the Polish Solidarity union movement change tactics by regrouping resources and waiting for another big social upheaval. **Page 2**

Fighting spreads

Fighting around Beirut was stepped up as Lebanese government jets bombed Druze positions in the surrounding mountains. Page 2

Pilot suspended

Air Zimbabwe pilot Tony Thomas was suspended for asking passengers to welcome as "celebrities" two air force officers being expelled to London from Zimbabwe last week.

Soldiers killed

Two British soldiers died and at least 13 people were hurt in two road accidents in West *Germany.*

Powell attack

Ulster Unionist MP Enoch Powell *called for more independent* British foreign policies, saying present ones were subservient to U.S. policies which failed. Page 4

Belgian threat

Belgian union leaders threatened to extend strikes which *have paralysed much of the* country. Channel ferries have been hit. Page 2

Tourist danger

Armed men near Kenya's Masai game reserve killed a guard and wounded an American tourist in separate incidents.

Hitler warning

Braunau town council, Austria, is to put a marble plaque on the house *where Adolf Hitler* was born, warning against fascism.

Death sentence

Shanghai courts sentenced 15 gang leaders to death for assault and robbery, as China's crackdown on crime continued.

Shaman disgrace

Swaziland football authorities outlawed witchcraft, saying the sight of witchdoctors sprinkling *holy water at their opponents'* goalmouths was embarrassing for the country.

Briefly . . .

Mrs Thatcher began talks with Italian Premier Craxi.

Brazil made its millionth alcohol-fuelled car.

Breakfast TV viewers: BBC 1.3m; TV-am 1.1m last week.

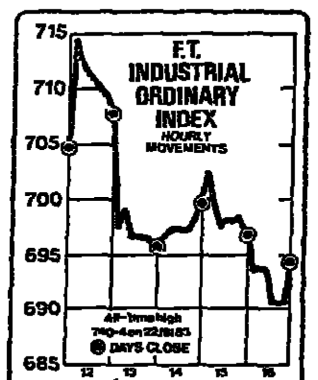
Portuguese train drivers struck for 12 hours.

35 Polish football fans asked for asylum in Turin.

BUSINESS

Equities drift; Gilts firmer

● EQUITIES were depressed due to the BP shares sale and *doubts about the U.S. money* supply. The FT Industrial Ordinary index eased 2.7 to 694.2, for a fall of 10.7 on the week. Page 26



● GILTS were firmer, with gains of up to ½ over all sectors. Page 26

● STERLING rose 40 points to $1.5015. It fell to DM 4.01 (DM 4.0125), FFr 12.09 (FFr 12.1075), SwFr 3.26 (SwFr 3.2625), but held at Y366.5. Its trade-weighted index *also held* at 84.9. Page 21

● GOLD fell $½ to $406¼ in London. In New York the September Comex settlement price was $410.4. Page 21

● DOLLAR fell to DM 2.6685 (DM 2.6785), FFr 8.0575 (FFr 8.0875), SwFr 2.1665 (SwFr 2.1765) and Y243.55 (Y244.5). *Its trade-weighted index slipped* to 128.7 (129.0). Page 21

● WALL STREET was 13.21 up at 1228.25 just before the close. Page 20

● SIR CLIVE SINCLAIR, inventor of the Sinclair ZX81 and Spectrum micro-computers, has *launched a pocket-sized tv on* the market. Back Page

● ARGENTINA has won some breathing space in repaying *some of its mounting debt to in*ternational commercial banks, which will enable it to borrow a further sum from the banks. Back Page

● IMPALA and Rustenberg, the world's two largest platinum producers, are to market platinum coins and ingots for private investment. Back Page

● STANDARD Telephone and Cables and GEC Telecommunications are cutting 700 jobs in Coventry and the south east. STC blames the Government's liberalisation of the telecommunications business and GEC swift changes in technology. Back Page

● OSBORNE, the troubled personal computer company, has been granted $600,000 (£399,600) temporary financing from three U.S. banks. Page 25

● BLACKWOOD HODGE, the earth moving equipment and engineering group turned in pre-tax loss of £.433m in the *first half of 1983, on sales down* from £170.08m to £132.07m. Page 18 and Lex

● CONDER INTERNATIONAL *building group turned in a loss* for the first six months to June *30 of £5.23m against profit of* £432,000 in the same period in 1982. Overseas operations, notably in Iraq, sustained losses of £5.8m. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Funding 5¼% 87-91	£76⅜	+	⅜
Treas 6¾% 1995-98	£76⅞	+	⅜
Treas 12% 2013-17	£119⅜	+	⅜
Treas 2% IL 1988	£103⅞	+	⅜
Assoc. Brit. Ports	202	+	10
BTR	520	+	8
Bejam Grp.	151	+	4
Breedon Cloud Lime	255	+	20
Brit. & Commonw'th	870	+	10
Consltnts. (C. & F.)	400	+	20
Danish Bacon A	60	+	6
Immed. Bus. Systms.	160	+	15
Lennons Grp.	41	+	4
Mellins	110	+	8
Micro Focus Grp.	620	+	40
Real Time Control	190	+	10
Telfos Hldgs.	42	+	4
Wheeler's Restrnts.	485	+	35

FALLS

Barclays Bank	475	−	13
Blackwood Hodge	14	−	2
Chubb	140	−	8
Conder Int'l.	33	−	17
Cory (Horace)	18	−	3½
Hawker Siddeley	286	−	4
Lex Service	321	−	7
SGB Grp.	132	−	10
Stock Conversion	275	−	5
TACE	116	−	6
Charter Cons.	250	−	10
Cons. Gold Fields	600	−	10
Hill 50	30	−	4
Jones Mining	58	−	5
MIM Hldgs.	242	−	7
RTZ	630	−	20
Rustenburg Plat.	720	−	25

Hewlett-Packard to steal a march with board meeting in Peking

HEWLETT-PACKARD, the U.S. electronics group, is this month set to upstage the growing list of U.S. multinationals which head overseas for their board meetings. It plans to take its board to Peking and will even offer a trip to the Great Wall of China, writes Terry *Dodsworth in New York.*

This extravaganza for the 19-member board which includes Prof Luis Alvarez, the 1958 winner of the Nobel Prize in physics, ought not to be aiken out of context, even though *the last time a U.S. company met in China is* reckoned to have been in 1949.

Hewlett-Packard, seen as something of a pace-setter, has twice flown its board to Europe

The purpose is a serious one, it insists. It allows the board to see at first hand what is going on in overseas markets where the company operates.

The Peking trip, however, is slightly differ*ent. The board will scarcely* be able to examine the group's Chinese activities because these are still "minute."

Still, Hewlett-Packard believes in the long haul. It has been tirelessly pursuing the *Chinese since President Richard Nixon's* historic trip to Peking in 1972. This is partly, it says, because it favours "building bridges not walls."

It probably makes a profit on the business though it is a fair bet its export-earnings from China will be significantly dented by the *boardroom descent.*

The company was yesterday unable to give a cost for the adventure. A total of 44 will be going, including non-board officers, wives and one husband. Hewlett-Packard was broken ground on that one, too, with the appointment of a woman lawyer, Mrs Shirley Hufstedler.

The group will spend three days in Peking working as a board and examining the market. It will then be free for a week. Those who wish too may go to the Wall and other tourist attractions.

All this is preceded by two days in Japan where the company has just bought majority *control of its affiliate.*

All of which suggests Hewlett-Packard demands a fair amount of commitment from directors. They are certainly being shepherded to Peking as a kind of advance assault party in a new thrust on the market *following* the U.S. Government's relaxation of conditions on *high-technology* sales to China. Perhaps—one day—the same may happen to the Soviet Union. Next stop Moscow?

Sale of £500m BP shares is approved

BY DOMINIC LAWSON

THE GOVERNMENT yesterday *completed another stage in its* programme of disposal of state owned assets, with the announcement of the sale by tender of at least £500m worth *of shares in British Petroleum.*

But small investors will be *saved the complex task of work*ing out at what price to pitch their offer. Applicants for not more than 1,000 shares can opt to be allotted shares at whatever price is eventually decided, after the Ctiy has conducted its auction.

A total of 130m shares is *being offered at a minimum* tender price of 405p per share, which compares with last night's closing price for BP shares of 426p. At the minimum price, *the sale would raise* £526.5m before expenses. This is the *second time since 1979 that the* Government has disposed of shares in BP, and in 1981 it declined to take up its entitlement in the BP rights issue.

Background, Page 4
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The result will be a reduction in the Government stake from 38.85 per cent to 31.73 per cent. No further *Government sale of* its BP holding will occur for *at least the next two years,* the Bank of England said yesterday.

The sale is the single most important part of the emergency £1bn package of Mr Nigel Lawson, the *Chancellor, to* restrain the growth in the *public sector borrowing require*ment.

Mr Lawson said on July 7 that the target for proceeds from asset sales for the current financial year would be increased from £750m to *£1.25bn. Three weeks later he* announced that the extra £500m would come solely through a sale of shares in BP.

Since then BP shares have performed poorly in comparison to other oil shares while the City waited for the exact details of the offer.

Yesterday the BP share price fell 2p to 426p, while the FT *Industrial Ordinary Share In*dex fell 2.7 to 694.2, making

Continued on Back Page

Satellite channels for ITV

BY RAYMOND SNODDY IN CAMBRIDGE

INDEPENDENT TELEVISION is to be offered two direct broadcasts by satellite (DBS) television channels to compete with *the BBC in space.*

The channels will be allocated by open competition in which the existing ITV franchise holders will have no automatic rights. The Independent Broadcasting Authority had argued *that a consortium of existing* ITV companies should be allowed to run any ITV satellite service.

Mr Leon Brittan, Home Secretary, said yesterday that legislation would be introduced in *the coming parliamentary ses*sion "to enable the independent broadcasting authority to issue one or more contracts for a DBS service if companies or consortia of companies judge the opportunity worth taking."

Mr Brittan also said he hoped a decision on technical standards for satellite transmission, would be reached before the end of this month. European *broadcasters* have already endorsed the British C-MAC picture standard and the French digital sound system. Neither the French or the German Goverments have ratified this and a unilateral British decision to proceed look likely.

The IBA, Mr Brittan told the *Royal Television Society* convention in Cambridge, could be *able to invite applications late* next year. An independent satellite could probably be broadcasting in 1987-88.

The BBC plans to begin broadcasting two *channels of sub*scription television from a satellite high above the equator to individual homes in September, 1986.

Mr John Whitney, Director General of the IBA, said yester*day the organisation* welcomed the Government's proposals *wholeheartedly.* But he added: "There was obviously a hope and fond wish to engage as of right in DBS activities, but it was not to be."

The Government, the Home Office said yesterday, had decided that its commitment to competition across the board was more important than the argument put forward by the IBA.

The Home Secretary explained that there would be an independent DBS service only if companies came forward and thought the risk worth taking.

ITV companies made it clear yesterday in Cambridge that they might be prepared to go ahead only if they were able *to match the BBC starting date.* Mr David Shore, General-Secretary of the Independent Television Companies Association, said that, because of the possibility of a three-year gap between the BBC and indepen*dent companies, the companies* might say they had other things to do with their money.

The companies most interested in DBS are Central, London Weekend, Yorkshire, TV South and Anglia.

Under the Government's proposals the IBA would oversee *the new service and control the* link which would send the pictures into space.

But Mr Brittan made it clear the operating companies would be responsible for acquiring their own satellite capacity. *This implies that the ITV com*panies would be free to go anywhere in the world for their satellite.

It is believed that British Aerospace called the ITV companies at Cambridge yesterday, *offering to match* the price of any competing satellite system.

Sinclair launches flat-screen TV, Back Page

Kennedy Brookes bids for Wheeler's

BY RAY MAUGHAN

TWO OF the most celebrated restaurant chains in London will merge soon if the fast-expanding Kennedy Brookes' owner of *Lockets, haunt of many MPs,* succeeds with plans to buy out the family which controls Wheeler's Restaurants.

Wheeler's, known for its gourmet fish menus, has been a public company for 15 years *while Kennedy Brookes joined* the Unlisted Securities Market two and half years ago. Both are of approximately equivalent size, with respective market values of £7.25m and £7.8m at yesterday's closing share prices.

Kennedy Brookes has expanded quickly by acquisition, *notably through its purchase of* the Mario and Franco restaurant chain, and has usually offered its own shares as consideration. It is understood, however, that *the family, which owns* 51 per cent of Wheeler's, will be looking for a *cash deal* and Kennedy Brookes is attempting to underwrite its bid by selling shares to institutional investors.

Wheeler's has received many offers over the years and, under the chairmanship of the *founder, Mr Bernard* Walsh, consistently turned them away. It has, itself, failed to achieve one or two takeovers of its own on the way, notably when Madame Prunier at the last moment rejected a bid from Wheeler's in September, 1975.

Since the death of Mr Walsh *in May, 1981, Wheeler's* has been run by his son-in-law, Mr Ronnie Emmanuel, and control has rested in six family trusts.

Kennedy Brookes intends to transfer to the listed market in *the near future* and recently signed a £3m deal to acquire all six restaurants planned for the Trocadero development in Piccadilly, in the West End of London.

It expects to announce its *proposals early next week,* but may face strong competition for Wheeler's 14 restaurants in London and Brighton, its hotel in Brighton, public house in Seaford, Sussex, and fishmongers in Billingsgate. Whitbread, the brewery group which has acquired numerous restaurants in the City recently, definitely ruled itself out of the running yesterday, but Ladbroke has been *suggested* as a possible counter-bidder.

The betting group has a representative on Wheeler's board and Mr Cyril Stein, Ladbroke's chairman, acquired a sizeable stake 11 years ago.

ICI to sell gas and oil interests in U.S.

By Carla Rapoport

Imperial Chemical Industries has decided to sell its oil and gas interests in the U.S. and the *Gulf of Mexico, the bulk of* its North American oil and gas interests.

The company announced yesterday that it has already agreed to sell its stake in one lease off the California coast *along with its U.S. Gulf Coast* oil and gas interests for $62m (£42m).

ICI now aims to sell its interests in 15 other leases in Mexico and Louisiana. The stake it has agreed to sell is part of the Point Arguello oil discovery, with some 30 oil and gas wells. Drilling has begun on only one of the other 15 leases, so their commercial value has yet to be proven.

ICI said these interests, acquired in 1976, do not have the significance of the com*pany's North Sea* oil interests, which help supply the company's feedstock needs in the UK. The company intends to continue exploration on the UK continental shelf.

"The assets were not strategic *to our business in the U.S.,"* an ICI executive said. The proceeds of the sales will be applied toward developing the company's other U.S. activities, which are now concentrated in pharmaceuticals, agrochemicals, polyester *film and specialty* chemicals.

ICI will not be pulling out of North American oil and gas entirely. The company has made gas discoveries in Alberta, Canada, which will be used to *provide feedstocks for its Cana-*

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Inflation rate rises to 4.6%

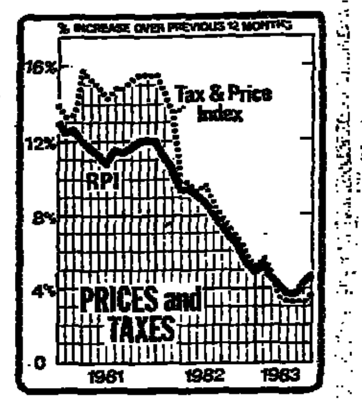
BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE ANNUAL inflation rate rose in August to 4.6 per cent, 0.4 percentage points above the rate in July, according to official figures out yesterday.

But the increase in the annual rate does not appear to indicate any surge of inflationary pressure in the economy.

The rise, which was widely expected, is more a reflection of the fact that prices were hardly going up at *all* last summer.

The Index of Retail Prices for August was 338.0 (1974=100), 0.4 per cent higher than the index for July and 3.3 per cent higher than the index six months earlier.



The rise in the index between July and August reflected the *ending of price reductions* in the summer sales of clothing and of summer discounts for coal

Mr Norman Tebbit, Employ*ment Secretary, said yesterday* that the August inflation figure was consistent with the Govern*ment's forecast* that the inflation rate would be about 6 per cent towards the end of the year.

By the end of September, he predicted, the rate would be about 5 per cent.

He said wage bargainers should remember the crucial link between levels of pay and the provision of jobs.

"*Pay bargainers should* bear in mind that those in work have had a 5 per cent increase in real take-home pay over the past four years, and earnings *have risen almost twice as fast* as prices over the past 12 months."

The recent trend of inflation has been helped by the fact that sterling has remained firm, thus curbing the rise in import prices in sterling terms. Productivity has also been rising, so the average *annual* rise in wages per unit of output was held to around 3½ per cent in the early summer. This compares with an annual rate of increase of average earnings of 7¾ per cent in July and August.

Britain's inflation rate is now close to the average of 5 per *cent for the industrial world,* but it compares unfavourably with the latest figures for the U.S. (2.4 per cent), Japan (2.2 per cent) and West Germany (2.5 per cent).

The Tax and Price Index for *August, a measure of the* gross pay needed to keep pace with inflation and change in tax was 175.1 (1978=100). This was 3.6 per cent higher than a year *earlier.*

£ in New York

	Sept. 15	Previous
Spot	$1.4990-5000	$1.4950-4960
1 month	0.02-0.04pm	0.01-0.05pm
3 months	0.14-0.17pm	0.07-0.10pm
12 months	0.73-0.83pm	0.60-0.70pm

CONTENTS

For latest Share Index phone 01-246 8026

Lebanese airforce jets bomb Druze militia

BY PATRICK COCKBURN IN BEIRUT

LEBANESE Government jets yesterday bombed and strafed Druze positions in the mountains overlooking Beirut. The attacks have led to a marked escalation in the fighting. The peace mission of the Saudi Prince Bandar bin Sultan seems to have faltered for the moment.

One of the eight Lebanese airforce Hawker Hunter aircraft, of which six are operational, was shot down, and another damaged by ground fire when they attacked at dawn yesterday.

This is the first time the Lebanese air force has been in action in ten years.

Two of the jets made emergency landing at the British base of Akrotiri, in Cyprus. The base is also used by six RAF Buccaneer fighter bombers which arrived in Cyprus last week as a back-up for the 100 British soldiers of the multinational force stationed in Beirut.

The landing of the two Lebanese jets came shortly before the powerful Cyprus Communist Party Akel staged a demonstration in Nicosia against the use of Cypriot soil for military operations in Lebanon.

A military official in Beirut said the fighters' target was Palestinian forces, but no evidence has been produced to support this, and the presence of Palestinians around the key town of Souq al Gharb was firmly denied yesterday by the Progressive Socialist Party, the only Druze political party, which is headed by Mr Walid Jumblatt.

In retaliation for the use of jets, shellfire fell at the Lebanese airforce base of Byblos, north of Beirut.

The Defence Ministry on a hill to the east of Beirut was also bombarded by artillery, some of which is Syrian.

The air attacks seem to have led to an increase in fighting in and around Souq al Gharb. From the forward observation post held by the multinational force, it was possible to distinguish the muzzle flashes of machine-guns firing in Souq al Gharb yesterday. Artillery rounds and rockets could be seen landing in the town.

The Druze say that after a government surprise attack in the morning, they have counterattacked and fought their way into Souq al Gharb, capturing 20 government soldiers, including one officer. They say another 35 were killed or wounded.

From positions below the mountain ridges, where Druze militiamen and government soldiers are fighting, it was impossible to see who was winning, but the air attacks by the tiny air force are unlikely to have more than a symbolic impact.

The Government is still looking to Washington for military support to strengthen its positions.

Reginald Dale in Washington adds: The White House acknowledged that a ceasefire agreement was now going to "take additional time." A much more cautious line has now replaced the State Department's predictions of an imminent agreement earlier this week.

The White House also urged congressional Democrats not to try to force President Reagan to comply with the 1973 War Powers Act which restricts his authority to deploy U.S. forces abroad, at such a "pivotal point" in the ceasefire efforts.

On Thursday night Senate Democrats voted to introduce a resolution declaring that the Act had been triggered by the increased fighting.

Caterpillar may face EEC inquiry over plant closure

BY JOHN WYLES IN BRUSSELS

CATERPILLAR Tractor Company's decision to close its loss-making plant at Birtley, Tyne and Wear, with the loss of 960 jobs is to be part of an inquiry by the European Parliament.

Securing the inquiry by the Parliament's social affairs committee is the first move in a bid by British Labour Party members to build up political support behind the so-called Vredeling draft directive which would impose worker consultation obligations on multinational companies.

The proposal was first discussed at official level in the Council of Ministers in Brussels this week.

The Birtley closure, announced at the end of last month, was brought to the Parliament by Miss Joyce Quin, who represents Tyne and Wear.

Ms Quin and her colleagues allege that Caterpillar has handled the closure in a way which would be outlawed by the Vredeling directive and which runs counter to assurances the company gave when it was lobbying against Vredeling.

She claims that workers at Birtley first learned of the impending closure through local newspaper reports and that the decision was taken without any prior consultation. Yet in an anti-Vredeling letter the company sent her in December 1981, its director of administration in the UK, Mr D. H. Gilliver, said that the company already made "a substantial effort" to inform and involve employees.

The purpose of the letter was to persuade Miss Quin to vote against the draft directive which was approved by the Parliament last December. Mr Gilliver said it was damaging and unnecessary and would make companies far more cautious about investing in the EEC.

A resolution tabled by Miss Quin, together with Dr Gordon Adam, Northumberland, and Mr Roland Boyes, Durham, condemns the Caterpillar closure and seeks to ensure that the Commission withhold EEC aid from any multinational failing to respect the "spirit" of Vrdeling.

Lynton McLain writes: Mr David Hay, employee relations manager of Caterpillar Tractor's Birtley works, said yesterday he bitterly regrets that the workforce found out about plans to close the factory from local papers and the radio.

Mr Hay said talks with the unions on short-time working, enforced redundancies and voluntary redundancies in the face of a slump in demand for orders for Caterpillar products started three and a half years ago.

Protest by Manila businessmen

By Emilia Tagaza in Manila

MANILA'S staid banking and business district yesterday held a spontaneous and noisy rally calling for the resignation of President Ferdinand Marcos and protesting against the assassination of opposition leader Mr Benigno Aquino.

For more than an hour, pieces of paper, confetti and streamers dropped from skyscrapers along Ayala Avenue, the Philippines' Wall Street. About 10,000 employees and executives joined a march and carried placards saying: "Marcos resign."

Mr Marcos, his associates and the military have been blamed for the assassination of Mr Aquino, who was shot while in the custody of Government security men.

The march—the first time a political rally has been held in the country's business district—heightened anxiety among foreign companies and international banks.

Many are worried about the country's political stability in the wake of Mr Aquino's death. Some of the foreign banks and companies have temporarily stopped injecting fresh funds into the country.

One businessman who joined the rally said that for too long the business community had not expressed dissent. "This is the first time that we were given the chance to show our feelings, especially to protest against the Government's miserable handling of the Aquino case," he said.

The march and rally was organised by the legal opposition group, led by Justice for Aquino, Justice for All (Jaja) which was formed after the slaying of Mr Aquino.

Jaja includes the United Nationalist and Democratic Organisation (Unido), which is at the forefront of the country's legal opposition.

Marchers were allowed to hold the one rally, which had no government permit, at a private football field owned by Mr Enrique Zobel, president of Ayala Corporation, the country's largest real estate company.

Nakasone denies planning early election

BY JUREK MARTIN IN TOKYO

JAPAN'S Prime Minister, Mr Yasuhiro Nakasone, yesterday flatly denied he had already decided to call a general election by the end of this year.

He described as "totally unfounded" reports in the Yomiuri and Mainichi newspapers, both well connected to his government, that he had told leaders of his ruling Liberal Democratic Party (LDP) that he planned a November dissolution of the Diet and a general election on December 4, 18 or 25.

His assertion, however, has been met with some scepticism in Japanese political circles, who have become increasingly convinced that a year-end election is now on the cards. These "experts" are not infallible. They had equally confidently predicted a midsummer campaign, but were disappointed by Mr Nakasone.

There must be an election for the lower house by June next year, when its four-year term expires. As in Britain, the government is free to determine the precise timing.

The most important dates on the autumn political calendar are October 12, when a verdict is to be pronounced on the former Prime Minister, Mr Kakuei Tanaka, in the Lockheed bribery trial, and November 9 and 12, when President Reagan is to pay an official visit.

Mr Nakasone's great problem is to try to keep the lid on the political convulsions of the Tanaka verdict until after the Reagan visit.

His task will be made all the more difficult if, as is entirely possible, some factions inside his own party either support or abstain from the certain opposition motion demanding Mr Tanaka's expulsion from parliament.

Interwoven with the politics of the Tanaka case is the equally explosive issue of economic policy. Both the LDP and the opposition parties are divided over the merits of plans to cut the cost of government—known here as "administrative reform"—reduce income taxes by as much as one trillion (million million) yen (£2.73bn) and increase certain consumption taxes.

There is, therefore, a clear temptation for Mr Nakasone to use the threat of a general election if the Diet appears unmanageable. An additional lure, freely conceded by some leading members of the LDP, is the need to go to the country before details of the stringent and presumably unpopular 1984 budget are hammered out at the end of the year.

He repeated again yesterday his frequent assertion that he would like the Diet to serve its full term.

It is widely assumed here that, whenever the election is held, the LDP will lose seats (but not power), to compensate for the unnaturally large gains it made in 1980 in the wake of Prime Minister Ohira's death late in the campaign.

Japan's economy picks up in second quarter

BY JUREK MARTIN IN TOKYO

THE JAPANESE economy picked up a little steam in the second quarter of this year, but mostly on the strength of improved exports.

According to the Economic Planning Agency, which released the latest figures yesterday, the Japanese gross national product expanded in real (ie non-inflationary) terms by 0.9 per cent in the April-June period compared with the first quarter.

This is up on the 0.2 per cent real growth achieved between January and March over the previous quarter, when a 0.4 per cent advance was recorded. The Government is projecting 3.4 per cent real growth in the current fiscal year, which began in April.

Overseas demand accounted for just over half the real economic expansion, with the export of goods and services going up by 2.9 per cent and the net surplus of exports over imports by 8.6 per cent, over the previous quarter.

Just about the only positive factor on the domestic side was a 4.9 per cent increase in private sector inventories, but even this, the EPA pointed out, had an artificial flavour, since it reflected both restocking in anticipation of a new national car inspection scheme and sluggish final sales brought about by bad early summer weather.

Both government and private sector spending rose by only a modest 0.3 per cent in the period (both down on the previous quarter); fixed capital formation by the government did rise by 5.2 per cent, but only because of the bunching of some public works projects early in the fiscal year, while private sector plant and equipment investment only went up by 1 per cent (though this reversed the 0.9 per cent fall of the January-March quarter).

Construction remained in the doldrums, with housing down by 13.7 per cent, following a drop of more than 1 per cent in the first quarter of the year.

The only unalloyed bright spot was that, on a GNP basis, Japan enjoyed negative inflation in the quarter. Nominal growth, at only 0.6 per cent, was below real growth.

● Japan must take urgent steps to increase imports and reduce its trade surplus, the Japan External Trade Relations Organisation (Jetro) said, Reuter reports.

6% rise in GNP forecast for Hong Kong

BY ROBERT COTTRELL

THE Hong Kong economy is feling the benefits of an export-led recovery, Sir John Bremridge, Financial Secretary, said yesterday. He estimated that gross domestic product may grow by 6 per cent in real terms in 1983, revising upwards his February budget forecast of 4 per cent.

Domestic exports, he said, may grow by 11 per cent in real terms, against a budget forecast of 5 per cent.

Sir John also noted, however, the negative effect of political uncertainty on the Hong Kong economy. Britain and China are now negotiating Hong Kong's future ahead of the expiry of Britain's lease in 1997. He revised downwards his forecast for gross domestic fixed capital formation from 6 per cent growth in real terms to a 1 per cent decline.

As expected, Sir John also addressed the question of the withholding tax levied on Hong Kong dollar deposits. No similar tax is levied on foreign currency deposits in Hong Kong, leading some analysts to argue that the tax has contributed to recent weakness in the Hong Kong dollar.

The Financial Secretary said that, for the time being, he retained "an open mind" on whether withholding tax should be abolished, and said he proposed to "re-address the issue" in his budget speech next year.

Sir John indicated that, if the tax were to be abolished, legislation would be necessary to prevent companies using tax-free interest payments as a means of avoiding profits tax.

Sir John said that he expected Hong Kong's budget deficit to be roughly the HK\$3.2bn (£273m) forecast in his budget. Such circumstances, he said, do not necessitate government borrowing.

Reagan bid to push IMF Bill through Congress

By Anatole Kaletsky in Washington

PRESIDENT Ronald Reagan will make a long-awaited personal effort to push an increase in the U.S. contribution to the International Monetary Fund through Congress, Administration officials said yesterday.

The IMF Bill, which was passed in a preliminary form by both Houses of Congress before their summer recess, has been held up since then because of a campaign by right-wing Republicans, in which liberal congressmen who voted against an amendment to bar the IMF from lending money to communist countries were branded as "supporters of communist."

The President has now decided to repudiate the campaign after being told the IMF Bill would be doomed without his personal intervention.

A number of Democratic congressmen who originally supported the IMF Bill have threatened in the past two days to start campaigning against it unless they received letters from the President stating that in voting for the original IMF Bill, without the anti-Communist amendment, they had been "supporting the Administration's . . . and acting in the best interests of the country."

The President has now decided to issue such a letter, according to Administration officials.

Although this letter will remove one of the biggest stumbling blocks for the IMF Bill, its early passage may still not be assured.

Republic Party opposition may continue unless Mr Reagan takes an even firmer personal stand.

Democrats now feel the White House must offer them some other political concession, probably in the form of a generous housing bill, if they are to carry the main burden of supporting the IMF Bill.

Austria introduces tax package

A package of tax increases and new taxes intended to raise Sch 30bn (£1.1bn) in a year was announced yesterday by the Austrian Government, writes our Vienna correspondent. The Socialist-liberal coalition wants to contain the exploding budget deficit. This year's deficit is expected to come to Sch 95bn, rising to Sch 125bn in 1984 unless something is done.

A tax rate of 7.5 per cent is to be imposed on disbursements of interest. This tax will not be offset against the recipient's income tax liability. Value added tax will be increased by two percentage points.

Submarines again in Swedish waters

Sweden's territorial waters have been violated "with great probability" on several occasions by foreign submarines during the summer months, Mr Anders Thunborg, Swedish Defence Minister said yesterday.

The Supreme Commander of the Swedish armed forces, Mr Lennart Ljung, said the nationality of the submarines could not be established beyond doubt.

Mr Thunborg said the government took a "very grave view" of the latest violations. Submarine defences had to be strengthened as soon as possible. The Government was determined to use all the means at its disposal to assert Sweden's territorial integrity.

Walesa calls for a radical shift in Solidarity tactics

BY CHRISTOPHER BOBINSKI IN WARSAW

MR LECH WALESA, Poland's Solidarity leader, has proposed that his movement drop demands for reinstatement and has urged the regrouping of its resources in new, myriad organisation to await an upheaval similar to the one in 1980 which gave birth to the now banned union.

The proposals come in an interview with the underground CDN Newssheet. Mr Walesa said he will soon be discussing them with the union's underground leadership.

His suggested tactics include dropping the name of the union, the return to legality of the present underground leadership and a very much diminished role for himself. They hinge on the belief that while the movement is too weak at the moment to force the authorities to deal with it, sooner or later other crises will erupt. "The system is impermeable; so lame in every sphere that will choke on itself and another explosion will come," Mr Walesa said.


Walesa . . . changes needed

The interview comes after a failure of a go-slow urged by the union at the end of last month and an inconclusive response calls for demonstration on August 31, as well as the presumed recent capture of Mr Wladyslaw Hardek, an underground leader in Krakow.

Mr Walesa emphasised that the proposals are not just his own, but were discussed with advisors and he hinted that the church was also involved.

In a belated rhabilitation of Father Virgilio Levi who, after the Pope's visit to Poland, was hacked as deputy editor of Osservatore Romano after writing that Mr Walesa should adopt a low profile, the union leader said: "You know, it's probably true what Osservatore Romano wrote after my meeting with the Pope: that I should take a back seat as lead of Solidarity and wait for my moment."

"We must realise we won't win anything from the Government at the moment working under the name Solidarity" he said, adding that the Polish leadership's freedom to make concession is limited. "e must suspend Solidarity without forgetting its ideals and set up new organisations."

Future emphasis should be on developing the underground press and the new organisations should prepare activists for the future.

Mr Walensa did not clarify whether he has legal or illegal organisations in mind and says enigmatically: "Situations should be created so that the authorities will not be able to society by themselves." Nevertheless, he does say that at the moment a general strike is out of the question and warned that any solid shift in Solidarity's favour would bring Soviet intervention.

Relations with E. Berlin improving, says Bonn

BY JAMES BUCHAN IN BONN

THE BONN Government said yesterday it had received "signals" from East Berlin that pointed to a gradual improvement in relations between the two Germanies.

Herr Peter Boenisch, the Government spokesman, said that Herr Richard von Weizsaecker, the Christian Democrat mayor of West Berlin who visited the eastern part of the city this week, had confirmed Bonn's expectations of improvement.

In recent weeks, Bonn Government officials have hinted that Herr Erich Honecker's Government in East Berlin would soon meet some of West Germany's demands in the wake of the DM 1bn (£250m) loan granted East Germany by West German banks and guaranteed by Bonn.

The chief demand is a loosening of the harsh minimum exchange requirement for travellers to East Germany, fixed in 1980 at DM 25 per day.

However, Herr Boenisch said yesterday that Herr Honecker had specifically asked the West Berlin mayor not to discuss details in public—apparently because final decisions in East Berlin have not yet been taken.

Behind such nuts-and-bolts issues, diplomats are convinced that East Germany is as keen as West Germany to insulate their relations from the strain in the larger East-West atmosphere that is expected to follow deployment of new U.S. nuclear missiles in West Germany later this year.

Bonn officials have detected improvements in several other areas of dispute between the two states.

However, a senior West German official, well-placed to follow events in both Bonn and East Berlin, warned privately against the bright picture painted in Bonn. "The East Germans are deliberately showing how good relations could be were it not for the missiles," he said.

Bush visits Eastern Europe

BY DAVID BUCHAN

MR GEORGE BUSH, the U.S. Vice-President, yesterday began a trip to three Communist countries, underscoring the Reagan Administration's differentiated approach to the Communist world and sharp contrast to its bad relations with Moscow.

His first, two-day stop is in non-aligned Yugoslavia for which the U.S. earlier this year helped organise \$1.3bn (£867m) in Western governmental aid as part of a wider international rescue package.

Before leaving Washington, Mr Bush said he expected Lebanon and the Soviet destruction of the South Korean airliner to be the main topics of his talks with government leaders in Yugoslavia, Romania and Hungary.

But disarmament is also likely to figure on his agenda. President Ceaucescu of Romania has taken a strong, and for a Warsaw Pact leader, idiosyncratic position calling for mutual U.S.-Soviet disarmament. Hungary, Mr Bush's last stop, is loyal to the Moscow defence stance, but has an unofficial peace movement.

Belgian unions threaten to extend strike

By Our Brussels Correspondent

THE BELGIAN Government and unions representing 900,000 public service employees were last night embroiled in bitter negotiations over the planned cuts in public sector pay.

Union leaders have pledged to maintain their outright opposition to the proposal and have threatened to extend into next week a series of strikes which have paralysed much of the country.

Government sources were last night pessimistic that a speedy agreement could be reached and further talks are scheduled for today. There are fears within the administration that a prolonged strike could threaten the stability of the Centre-Right coalition.

With backing from the three main unions involved industrial action by transport workers and post office employees developed into a wider strike on Thursday. This closed schools and government buildings, disrupted cross-channel ferry services and flights to and from Brussels airport.

Although yesterday saw a limited return to work by teachers and civil servants, most public transport was at a standstill.

Visitor from Moscow fails to woo China. Mark Baker reports

Sino-Soviet gulf remains unbridged

SHUTTLE DIPLOMACY, Sino-Soviet style is an Aeroflot jet that does a weekly return flight from Moscow to Peking. It is best known for the vodka and caviar ferried to the world's largest embassy compound.

When the aircraft flew out of Peking yesterday the home-bound mail bags were accompanied by the garganuan-frame of Mr Mikhail Stepanovich Kapitsa, Deputy Soviet Foreign Minister and the most senior Soviet official to have been invited to China in more than 20 years. He did not appear to be carying glad tidings.

Mr Kapitsa's week-long visit to Peking, which included a meeting with the Chinese Foreign Minister, Mr Wu Xueqian, suggested another step in the process of bridging the gulf which has stood between the two communist nations for a generation. But there is no evidence that the visit carried any more than symbolic significance.

Before boarding the aircraft, Mr Kapitsa, who is in charge of Asian affairs within the Soviet Foreign Ministry, kissed a female American correspondent for the cameras and declared: "We have opened a new channel of contact, this time on international issues."

Bu Chinese Vice Foreign Miniser, Mr Qian Qichen, was quick o rejoin: "We must not forget that there are still obstacles in the way of Sino-Soviet relations. These cannot be evaded."

The Kapitsa visit has created considerable interest, coming only three weeks before the formal consultations between China and the Soviet Union are due to resume in Peking. Privately, both Chinese and Soviet officials concede that the consultations—the third round since bilateral dialogue was resumed late last year—are unlikely to make progress.

China is carefully balancing its relationships with the Soviet Union and the U.S., determined not to be identified too closely with either superpower while cultivating its image as a leader of the Third World.

> China is anxious not to strengthen ties until Moscow gives ground on the "three obstacles to normalisation"

It is anxious to resist even the appearance of strengthening ties with the Soviet Union until Moscow gives ground on "the three obstacles to normalisation"—Soviet support for the Vietnamese invasion of Kampuchea, the occupation of Afghanistan and the massive deployment of Soviet troops and missiles in the Far East.

In an interview with the Financial Times yesterday, an assistant Chinese foreign minister, Mr. Zhou Nan, said: "Desire and reality are not the same thing. For us in China, we hope to restore normal relations with the Soviet Union on the principles of peaceful co-existence. Nothing more or less.

"We certainly hope to develop normal relations with the Soviet Union and the United States. But we do not play card games and we will not be used as a card."

He said President Andropov's recent promise not to deploy in Asia any SS20 missiles dismantled as a result of the Euromissile talks had been "noted." But he emphasised that more than 100 of the missiles were already threatening China and its neighbours.

"In a nutshell, if these obstacles are not removed, even if there is some minor improvement in Sino-Soviet relations, there are not likely to be substantial improvements," he said.

Soviet sources have indicated that their negotiators will not be making concessions on any of the key issues during the coming round of talks. They point to Mr Andropov's insistence that the talks cannot involve what the Soviet Union regards as "third country" issues.

China has emphasised its position in its handling of the Kapista visit. While Mr Kapista was invited by Mr Qian and met senior officials, the visit was cerfully categorised as not being official. Apart from his arrival and departure, the event was virtually ignored by the official Chinese press.

More jobs may go in W. German shipyard plan

By John Davies in Frankfurt

THE SHIPYARDS crisis in West Germany, where thousands of workers may lose their jobs, is becoming more intense.

In Bremen the state government is seeking the advice of outside experts before deciding whether to back a restructuring plan that would mean closure of a major shipyard. In Hamburg protesting workers have rejected a management demand that they end their sit-in at the Howaldswerke-Deutsche Werft (HDW).

Bremen's Social Democratic Government, which faces a local election on September 25, hopes to decide next week on the restructuring plan, under which the main 137-year-old shipyard of AG Weser would be shut.

Shipbuilding would be concentrated at Bremer Vulkan and at AG Weser's smaller Seebeck yard, while ship repairs would be handled by Hapag Lloyd.

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Steel to assert his leadership of Liberal Party

BY PETER RIDDELL, POLITICAL EDITOR

Mr David Steel will today begin a carefully planned eight-day campaign to reassert his leadership of the Liberal Party after his three month sabbatical.

There will be a speech or interview each day, culminating in his address to the Liberal Assembly in Harrogate on Friday and a joint appearance with Dr David Owen of the Social Democrats the following day to emphasise the close bonds of the Alliance.

Mr Steel faces the delicate task of demonstrating that he is fully recovered from the illness he had during the summer and of rebuilding bridges with parts of the rank-and-file following bitter squabbles in the party during the summer.

Mr Steel's friends say he is back on top form and is determined to carry on as Liberal leader, despite expressing doubts in the summer and his controversial letter to other Liberal MPs criticising some members of the party.

Nevertheless, Mr Steel will face a difficult week, with moves from some MPs and the Young Liberals to limit his powers as leader. This follows allegations that Mr Steel has acted high-handedly in the past and that the joint Alliance election manifesto ignored key elements of Liberal policy, notably on nuclear energy and defence. The signs are that some form of compromise will win the day and that it will be acceptable to Mr Steel.

Mr Steel is likely to argue that recent rows should be left behind and the party should now adapt itself, in both its policy-making and organisation, to the Alliance's position as a major political force. The Liberal leadership is drawing comfort from the latest Gallup survey which put the Alliance ahead of Labour, while Mr Steel's personal rating as party leader remains very high despite his absence during the summer.

His return to politics — or more precisely from a holiday in the Canary Islands — starts with a short speech in Perth today and continues with a major interview on London Weekend Television's Weekend World programme tomorrow. This is intended to set the tone for the week.

The Liberal Assembly will also be concerned about relations with the SDP, especially following the assertion of the latter's separate identity by Dr Owen at its conference in Salford this week. This has disappointed Liberals favouring closer links between the two parties.

Liberal MP 'would serve under Owen in merger'

BY JOHN HUNT

MR STEPHEN ROSS, Liberal MP for the Isle of Wight, said yesterday he would be prepared to serve under Dr David Owen, the Social Democratic Party leader, if the two parties merged. He said Dr Owen would bring to the Alliance "the discipline that the Liberal Party desperately needs."

Mr Ross hoped Mr Steel would emerge strengthened from next week's Liberal Party assembly at Harrogate but added that if people were stupid enough to continue attacking him his position could be in doubt.

Mr Ross criticised Mr Cyril Smith, MP for Rochdale, for mounting, on the eve of the conference, a campaign for appointment of a deputy leader. He felt the "Rochdale hornet" was making life difficult for Mr Steel and that in these circumstances the leader must be "seriously tempted to chuck his hand in."

Mr Ross was more pessimistic than ever about the future of the Alliance now that the SDP conference had rejected the idea of joint selection of candidates.

Last night Mr Smith said it was totally untrue that he was making life difficult for Mr Steel. The trouble was that Mr Ross wanted a peaceful life. Mr Smith said that in promoting the idea of a deputy leader he was only being blunt. "I am saying what I think. That is not stirring it up."

He was convinced the motion for a deputy leader would be approved at the assembly. He was receiving letters from all parts of the country in support of the idea. Even then, the party constitution would have to be amended to make it effective.

Writing in Liberal Clarion, Mr Roger Pincham, immediate past chairman of the party, said Harrogate "could easily prove the most ill-tempered and divided assembly the party has ever known."

The electorate looked for leadership and saw those qualities in Mr Steel. It was ridiculous to reduce the leader to a puppet figurehead: "I am confident now that the move to deny the leader a final say in the manifesto will fail," he said.

Insurance switch starts travel trade controversy

BY ERIC SHORT

THE Association of British Travel Agents is changing its travel insurance arrangements from October 1—a move which has caused considerable controversy within the association.

Each year it recommends to its members a travel insurance package for the use of clients. But travel agents are free to use whatever insurance contract they desire.

The association's package however, offers comprehensive cover at a reasonable price compared with other contracts.

For the last five years it has recommended Extrasure, designed by insurance brokers Kersley, Prockter and Day, but this time its insurance committee has recommended a package designed by Accident and General Insurance Brokers and underwritten by a consortium headed by Western Australian Insurance Company, a leader in travel insurance.

Mr Ray Bernstone, chairman of the five-person insurance committee, said yesterday that the new arrangement offered better premiums, especially for longer holidays, with half price for children and wider cover including cover against the collapse of the tour operator and compensation for strikes or industrial action at hotels.

The new arrangement, known as ABTAsure, will give travel agents 40 per cent commission, compared with 37½ per cent previously. The association will still receive royalties.

Mr Ivor Elms, a former president, believes that the association's revenue from travel insurance will be cut because many holidaymakers will continue to take out an Extrasure policy.

Mr Mick Curry, Extrasure's managing director, said that the Extrasure policy would continue to be marketed aggressively, with travel agents getting 40 per cent commission. The premiums had been increased because of adverse experience by the underwriters.

Planning row halts abattoir construction

BY ROBIN REEVES, WELSH CORRESPONDENT

WORK ON a new £3m abattoir in Anglesey, North Wales, was halted yesterday and the construction workers dismissed, after a row over building regulations.

On Thursday Anglesey borough councillors backed their officers' finding that if construction continued as planned it would break statutory building requirements.

Mr S. M. Rafique, managing director of the Halal Meat Company, which is building the abattoir, dismissed the work force at the 40-acre site yesterday morning and sent technical staff back to the company's base in County Mayo.

The new abattoir was due to be finished within a few months, an deventually to employ 300. It is being built to handle 1,000 lambs a day and 1,000 cattle a week, with a significant proportion for export.

Since Anglesey is a Special Development Area, the abattoir has attracted a regional development grant of 22 per cent of the cost and a grant from the European Common Market.

The development has been criticised by the UK Meat and Livestock Commission as the product of "Welsh nationalist aspirations" which would damage the long-standing flow of Welsh livestock to English slaughterhouses and exacerbate a problem of excess capacity in the UK.

Jason Crisp on Sir Clive's latest technical breakthrough

Sinclair declares mini-TV war

Sir Clive Sinclair's remarkable pocket-sized, black and white television marks the beginning of a battle with Sony, the leading Japanese electronics company.

Earlier this year Sony launched the Watchman, a similar, flat screen pocket TV which costs £249 in the UK. Sinclair's TV at £80, is cheaper, lighter, smaller and, particularly important, the batteries last longer.

Sony is launching a smaller version of the Watchman in the U.S. costing $200 (£133). Next year Sinclair Research will also launch its flat screen TV in the U.S., the first market outside the UK. The date and price has not been fixed although it is likely to cost less than the straight exchange equivalent of £80 ($120).

Sir Clive, who has pioneered the world's cheapest home computers, started talking in detail about the proposed flat screen TV about three years ago. The launch was planned for early last year. Yesterday Sir Clive said the main reason for the delay was that the company had underestimated the time to establish the production line for the special tube.

This is like a long match box and the technical breakthrough has been in the vacuum forming method of making the tube. It is being made by Timex, at Dundee, with automatic equipment developed and owned by Sinclair Research. Timex also makes Sinclair Research computers — the ZX81 and the Spectrum. A labour dispute at Timex earlier this year set back the launch of the TV, although the main reason for delay was production difficulties.

The other technical achievement has been to reduce the electronic circuitry of the television on to one integrated circuit, or microchip, which is being made by Feranti. Sir Clive claims it is the first television to use a single chip for its circuits. All television producers have been cutting back on the number of components as more and more are crammed on to microchips.

A number of clever features have been included on the microchip. The TV can detect which system of broadcasting is being used and will automatically adjust itself. This means the TV can be used in most countries other than France, which has the SECAM transmission system.

The set can also be used in the U.S. where there is a 525-line system, unlike the 625 system used elsewhere. However, the UK version receives only UHF broadcasts, whereas most television in the U.S. is broadcast on VHF so a different version is being developed for that country.

The flat-screen TV is the latest in a long line of innovations by Sir Clive. In the 1970s he was the first to develop the pocket calculator. His company at that time, Sinclair Radionics, rapidly got into difficulties because the Japanese quickly outpaced it with mass production which drove prices down.

Sir Clive believes he can forestall the Japanese this time because he has developed a fully automated production process. Sinclair Research also claims to have taken out a large number of patents worldwide on the television and the microchip.

Trevor Humphries

Sir Clive Sinclair exhibits his 2-inch, multi-standard, flat-screen television.

Sinclair Research, founded in July 1979, has been highly successful making cheap computers. Earlier this month the company reported pre-tax profits of £14m on sales of £54.5m. The cheapest computer, the ZX81, costs £40 and the company sells a number of peripherals, su as a cheap printer.

Sir Clive is also developing cheap electric town car and working on a number of app cations for the flat-screen tec nology, including a colour te sion.

Brickworks buy out is stopped

By Ray Maughan

Plans by the management of Bowater Crossley to buy its three brickworks on Teesside came to a halt yesterday when Bowater Corporation, Crossley's paper and packaging parent company, announced that it is now negotiating to sell these assets to west country-based property, housebuilding and building materials group, C. H. Beazer (Holdings).

The three brickworks which employ 330 people, are sited on Teesside, Bishop Auckland and Gateshead and have a joint annual capacity to deliver 50m to 65m bricks. The buy-out, backed by Industrial and Commercial Finance Corporation with a mixture of debt and equity and Crossley's clearing banker, was put aside, the management was told, because Bowater is now negotiating with Beazer.

Crossley was acquired by Bowater for £7.1m in the summer of 1978 when Bowater's main target was the builders' merchants depot network. Even at the outset Bowater said yesterday, it was uncertain of the outlook for the brickworks.

Six years later Beazer is preparing contracts which will offer £1.65m for the brickworks and a further £600,000 to £700,000 for its stockpile. Full details of the transaction are expected early next week but the deal is not likely to be completed for a fortnight.

The main emphasis of Beazers recent acquisitions has been in the property development field where, although it failed with a bid for R. Green Properties, it acquired Second City Properties earlier this year. It holds a 17 per cent stake in Blockleys, a brick producer, and also recently acquired Westbrick in the same sector.

BR to improve Scottish route

AN IMPROVED rail service to and from Stranraer, the Scottish terminal of the Sealink ferry service to Northern Ireland, is to be introduced by BR next year.

Journey times between Stranraer and Glasgow will be reduced by 20 minutes and Stranraer station will be modernised at a cost of nearly £500,000.

GLC plea on asbestos

A PLEA for financial help from the Government to combat London's growing asbestos problems has been made by Mr Lewis Herbert, chairman of the Greater London Council's environmental panel.

Tens of thousands of tonnes of asbestos need to be removed from buildings in the next few years and the cost could be £1bn, he said. Only cash help from central Government would ensure efficient and safe removal and disposal.

Mr Herbert is to seek a meeting with ministers.

Young 'not told rights'

MOST young people leave school with little idea of their rights and responsibilities as consumers, a home economists' conference in Cardiff was told yesterday.

The only children likely to be taught about these matters were the least academic girls who studied home economics and commerce courses, yet families were torn apart by consumer problems Mrs Joan Macintosh, vice-chairman of the National Consumer Council said.

Building material sales down in July

SALES of building materials—a general indicator of construction activity—slipped slightly in July, as was expected, the Builders Merchants Federation reported yesterday.

The federation sales index for the month records only a 0.5 per cent increase, compared with a 7.6 per cent rise in June. For the cumulative year, the rise was 3.7 per cent, as against 4.1 per cent for the year ended with June.

Lloyd's disclosure rules criticised by members

BY JOHN MOORE, CITY CORRESPONDENT

NEW DISCLOSURE requirements to be introduced in the Lloyd's insurance market may not have ensured that offshore arrangements effected by the outgoing Lloyd's chairman, Sir Peter Green, would have been revealed.

This warning came yesterday from the Association of Members of Lloyd's, representing 1,000 members. It came after disclosures by Sir Peter that up to £34m of his Lloyd's members' funds lodged offshore will be used to meet their future insurance liabilities.

"Under the current disclosure proposals," said the association, "it is doubtful that these transactions would have to be disclosed, so it seems that Sir Peter has set an admirable example by disclosing them."

But Mr Ian Hay Davison, Lloyd's chief executive, challenged the warning and said that the new proposals would ensure that Lloyd's market professionals would have to disclose any private interest in offshore companies with which their Lloyd's insurance syndicates traded.

The controversy follows disclosures by Sir Peter to underwriting members whose affairs he looks after of insurance transactions carried out with members' funds in an offshore company, Imperial Insurance company, in which he had an interest.

Sir Peter has made his disclosures for the first time in writing to his members in recent weeks. Until now, there has been no requirement by Lloyd's to disclose these offshore deals and they have been largely shrouded in secrecy.

Sir Peter has told his members how offshore funds were created after the Inland Revenue took an unsympathetic view of the way in which underwriters built up reserves for future insurance claims.

Sir Peter has said that the problem from the point of view of the Lloyd's professional had been "to justify to the Revenue, if challenged, that reserves for unreported losses are proper reserves and not tax avoidance. Thus schemes to overcome this problem had great attractions."

He has told his members how he discussed the problem with his insurance syndicate's principal insurance brokers, Bland Payne, and his auditors.

He said that a funding type of reinsurance was arranged in 1970. Half of the contract was placed with Montagu Insurance and Reinsurance, an associate of Bland Payne and unrelated to Sir Peter's interests, which led on the risk. The other half went to Imperial Insurance Company, then based in the Bahamas, in which Sir Peter was a director and shareholder.

Money was channelled out of Sir Peter's insurance syndicates in the form of premiums to the companies and rolled over from year to year, building up the value of the funds. Investment earnings were also rolled up in the value of the policy.

In 1971 another policy was taken out with Imperial because of Sir Peter's concern about possible insurance claims. The brokers on the policy were Steel Burrill Jones, said Sir Peter in his letter, "who were the persons in Bland Payne who handled the first policy. They had left Bland Payne to set up their own company.

"These special fundi policies are really part of : syndicate reserves." Sir Pet has told his members that ' more constructive approach the Revenue . . . would remo any necessity for these son what esoteric policies."

Up to £34m of the fun lodged offshore are to switched and applied to off the future losses of the syn cates in the usual provisi arrangements. The fund: policies have been terminate

Underwriting members : concerned that they have r received a balance sheet for t Imperial Insurance Compa which is now based in t Grand Cayman. They are lo ing for a fuller account of t transactions effected overse on their behalf in arrangeme of which they have only ju been notified.

Max Wilkinson tells why the Treasury is to sell BP shares

The asset sale to quell a panic

JUST AFTER the general election in June, the Treasury got into a panic about the trend of public borrowing in the current year. That is the immediate reason for the £525m sale of 7 per cent of the Government's holding in BP.

The Treasury has never admitted publicly just how far the trend of borrowing seemed at that stage to be adrift from the £8bn target for the public borrowing requirement in the full year, announced at the time of the Budget in March.

However, it seems likely that the Treasury's economists were then forecasting an overshoot of about £3bn. Anything less would hardly have justified the Chancellor's hastily assembled package of spending cuts and increased asset sales, announced in July.

Even a projected overshoot of £3bn would be less than the average error in the Treasury's budget forecasts for the borrowing requirement, although it has recently published a study which suggests that, in recent years, the average error has been more like £2.5bn.

The £600m of spending cuts were the most which could plausibly be imposed on departments at this stage of the year. So an additional £500m of asset sales was included to give the arithmetic a helping hand.

It was not originally stated which assets would be sold, and the Treasury caused a minor political row in late July by trying to slip the information out in the semi-obscurity of an unpublicised, written Parliamentary answer.

This need not have caused much surprise, however, because the Government does not own many assets which could yield £500m at short notice.

The largest of the possible disposals would be a slice of British Telecom, which might yield up to £4bn, if it were valued as an electronics firm rather than as a public utility. Of the remainder, only a further sale of Britoil shares, or of British Gas's oil interests, would be able to yield the required amount in one go.

The announcement in July by Mr Nigel Lawson, the Chancellor, of his £1bn package was, however, more than an emergency response to a particular crisis. It underlined clearly two of the main aims of his policy for the next few years. The first is to prevent public spending from rising as a proportion of national output.

Government plans for asset sales	£bn
1983-84	1.28
1984-85	1.5
1985-86	0.5

Source: Public Spending White Paper and July announcement

The second, which has a quite separate ancestry, is to return to the private sector as many of those operations as might be able to operate in a normal commercial, though this does not seem to apply to the BP sale.

The general reason for wishing to sell government-owned assets springs from a fundamental belief that the private sector could operate many of them more efficiently, and be more responsive to the desires and needs of the public. It is also hoped that the private sector would make more explicit the link between benefits received and prices paid for services, which is often smothered under subsidies in the public sector.

These arguments have become confused recently with the separate question of what contribution asset sales could make to public finances, and particularly to the reduction of public borrowing.

As a matter of definition, sales of assets reduce the borrowing requirement and thus, from an accounting point of view, the BP sale will help the Government edge closer to its target.

However, from an economic point of view, asset sales are more like those of gilt-edged stock and might be regarded as a way to finance the underlying borrowing requirement, rather than to reduce it.

These largely theological arguments might become important in terms of City sentiment, if sales of assets assume a larger importance in relation to total sales of government debt.

This seems unlikely, however much the Government might want to return enterprises to the private fold. The table, which shows the amount of money the Government might raise by selling parts of its holdings, suggests that only about £2.5-3bn would be raised from assets which the City would regard as being similar to normal private companies.

GOVERNMENT ASSETS
Candidates for sell-off with approximate proceeds

	£m
British Telecom	4,000
BP second tranche	500
Britoil second tranche	500
British Gas oil interests	400
Wytch Farm oil	160
Cable and Wireless	200
British Aerospace	200
British Nuclear Fuels	300
Jaguar Cars	100
Naval shipyards	100
Royal Ordnance factories	300
Sealink	100
Unipart	40

Source: James Capel estimates

Warship yard privatisation

THE FULL report by Schroder Wagg, the merchant bank, on ways to privatise the warship yards of British Shipbuilders (BS) is likely to be delivered to the Government within two or three months, writes Andrew Fisher, our shipping correspondent. A preliminary report will be made first.

Privatisation of the warship side is accepted in principle by Mr Graham Day, who took over two weeks ago as chairman of BS. Sir Robert Atkinson, the previous head, was strongly opposed.

Included on the privatisation list is Swan Hunter, the big Tyneside yard which builds merchant as well as naval vessels. Cammel Laird on Merseyside is another yard which builds for naval and private customers.

Cammell Laird, which also constructs offshore oil rigs is keen to win one of the two forthcoming UK naval orders for a Type 22 frigate at £130m. Vosper Thornycroft, at Southampton, and Yarrow, on the Clyde, are also in the running.

BS, which only makes profits on the warship side, now has about £2bn worth of warship orders. Yarrow and Swan Hunter are already building two Type 22s each for the navy.

The corporation, nationalised in 1977, has long been keen to build up its export sales of warships, where it has faced strong European competition.

Powell says Howe 'subservient to U.S.'

By John Hunt, Parliamentary Correspondent

MR ENOCH POWELL, the Ulster Unionist MP for South Down and a former Conservative Cabinet minister, yesterday made a strong attack on the conduct of foreign policy by Sir Geoffrey Howe, the Foreign Secretary.

He also criticised the foreign policy of successive British governments and argued that this had led to complete subordination to U.S. policies which had ended in failure. He called for a radical revision of the British aims towards a more independent stance.

Speaking to the Bridgwater Conservative Association, Mr Powell accused Sir Geoffrey of "courting humiliation" by making a series of unrealistic demands on the Soviet Union over the shooting down of the Korean airliner.

He said the Foreign Secretary's demand — for an apology, compensation, admission of guilt and punishment of the guilty—"might mildly be described as lunatic."

Mr Powell said he was "shocked and incredulous" when he heard the list of demands. In his opinion, the shooting down of the aircraft concerned Britain only marginally.

He also believed there was no justification for the British peace-keeping force in the Lebanon. "It does not matter to the United Kingdom and its people who is in Beirut or who governs Beirut—the matter is one of the utmost indifference to the United Kingdom."

Mr Powell maintained that these policies were adopted so as to dance to the American tune. Successive British governments in the past 30 years had "Finlandised" the UK in relation to the U.S., without justification. Britain had been subordinated to the huge miscalculations and misconceptions of U.S. policy.

Unions fix dates to meet Tebbit on changes to law

BY JOHN LLOYD, INDUSTRIAL EDITOR

UNION leaders have agreed two dates for the first rounds of what promises to be an exceptionally delicate series of negotiations with Mr Norman Tebbit, the Employment Secretary—one before and one after the Labour Party conference in the first week of October.

The first meeting, on Monday, will be concerned with the forthcoming legislation, likely to be one of the first major Bills in the new session of Parliament. Mr Tebbit has made clear that any changes which the TUC's representations might bring about are likely to be minor.

The second meeting, on October 19, will be concerned with the issue of the political levy on union members, which helps to finance the Labour Party. The Conservatives promised in their manifesto for the General Election in June to consult the TUC about this.

The possibility has been mooted of changing the present system whereby a union member pays the levy unless he or she has contracted out, to one whereby the member only pays if he or she has contracted in. Such a change would carry obvious dangers for the size of funds the unions can channel to the Labour Party.

The largest problem for the unions in both meetings is how far they are prepared to negotiate with Mr Tebbit. The TUC gave a substantial majority vote in favour of talking to the Secretary but union leaders remain split over whether to use the meeting simply as a propaganda device to display the Government's intransigence, or to attempt to moderate what they see as the worst features of the proposals.

Much will depend on how conciliatory Mr Tebbit is prepared to be, and how much change he is willing to entertain. He has said that drafts for legislation on union democracy have thrown up a number of difficulties—but many in the TUC believe these should be allowed to pass into law, so that the measures may be more easily opposed then.

The talks on the political levy are likely to be the more open of the two because—in theory at least—the Employment Secretary starts with a clean sheet. He has said that, if the TUC presents him with a method of ensuring that all union members are made fully and periodically aware of their rights in the matter, he will consider that as an alternative to contracting-in.

However, the TUC has not yet developed a proposal in the area. Also the results of a survey of unions' views on the legislation, including the political levy, have yet to be analysed.

Decision day for journalists' fight

BY DAVID GOODHART, LABOUR STAFF

THE EXECUTIVE of the National Union of Journalists will today have to decide whether to risk a potentially explosive political fight over the Government's recent employment legislation or instruct nine of its members working on the Stockport Messenger newspaper to return to work.

A court in Manchester yesterday found that the union was in contempt of court for failing to instruct its members to end their industrial action on the newspaper after the granting of an interim injunction on September 6.

Although costs were awarded against the union, the judge, Justice Hodgson, did not fine the union for contempt in the hope that the executive would end the action today.

The dispute is one of the first to have involved the 1982 Employment Act and rose over an instruction from the union to its members on the Stockport Messenger not to pass on copy to printers not members of the National Graphical Association. The association is in a separate recognition dispute with the newspaper.

The 1982 Act as well as outlawing such sympathy action, also allows the union's national officials to be "joined" in the action and opens the union's funds to possible sequestration.

Both the National Union of Journalists and the TUC still have firm policies of ignoring the 1980 and 1982 Acts and continuing "business as usual," although in at least one previous case the Transport and General Workers Union has ducked taking on the legislation by "repudiating the action of its members.

The journalists' union would have difficulty now in quietly disowning the action in order to protect its funds. Most of the nine journalists taking action were originally reluctant to do so—partly because of the complexities of the National Graphican Assocation dispute.

Mr Simon Howarth, the National Union of Journalists branch officer on the newspaper, said last night: "If the union gives us the leadership we will follow." But no members of the branch will be travelling to today's executive meeting and they might decide on Monday to call off the action regardless of the executive's decision.

From a relatively safe distance, the National Graphical Association is making militant noises about mass pickets in Stockport and the Print Industries Committee of the TUC has called on the General Council to make its fighting fund, which stands at about £739,000, available to the journalists in the event of sequestration.

But the TUC will also be reluctant to become involved, particularly as the original recognition dispute with the National Graphical Association followed a ballot of print workers which came out against a closed shop.

Football blackout continues

By David Goodhart, Labour Staff

THERE WILL be no soccer on ITV tomorrow for the second Sunday in succession because of an industrial dispute between the television companies and the Association of Cinematograph, Television and Allied Technicians.

The dispute centres on the loss of work for technicians in the regional companies after the centralisation of TV soccer into one London Weekend Television networked programme.

The scrapping of some regional football programmes followed the deal between the Football Association, the BBC and the ITV companies, which included an agreement to cover fewer matches.

Local branches of the union —backed by the national TV branch—are claiming the right to edit matches before sending them to LWT. The loss of editing would mean forfeiting high overtime payments.

Mr David Sumner, industrial relations director of the Independent Television Companies Association, said last night: "The industry has decided on a new programme format and we intend to do it in the most cost-effective way possible." There were also important issues of editorial control at stake.

There will be a further meeting on Tuesday.

OFT checks dairies over 1960s court orders

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

AN URGENT investigation is being carried out by lawyers at the Office of Fair Trading into whether any of the 56 dairy companies named this week for operating secret price cartels are in breach of court orders made more than 20 years ago.

The investigation follows the discovery by OFT lawyers that a number of court orders were made in the early 1960s against several dairy companies to stop them carrying out a restrictive trade agreement operating at that time.

The OFT was not formed until 1973 and take over responsibility for restrictive trade practices, so it has no records of these cases. Officials are checking whether any of the companies named more than 20 years ago in the court orders have been taken over by other dairies and whether the court rulings would still apply.

The 56 companies were named this week in 54 restrictive trade agreements which came to light after the Co-operative Wholesale Society gave details to the OFT. Most of the major UK dairies were named as party to these agreements, which were banned by the OFT since they had been operated in secret. They included agreement on prices and the allocation of milk rounds.

The OFT's lawyers will also decide soon whether a further 20 agreements revealed by the CWS should also be banned. These agreements, covering the dairies' refusal to supply certain customers, need further clarification by the CWS.

One of the dairies named this week, Unigate, said yesterday that an internal review of trading practices "generally confirms the CWS' conclusion that the arrangements in question are historical."

It added: "In our opinion, where the dairy trade has agreed in the past to co-ordinate sales activities, this co-operation has been motivated as much by the common concern of the industry to preserve the doorstep delivery service as by any other factor."

GEC subsidiary set up to develop and sell software

FINANCIAL TIMES REPORTER

THE General Electric Company's internal development of computer software and the marketing of the best of existing software is to be handled by a new subsidiary, GEC Software.

The subsidiary will oversee large software developments previously controlled by GEC Telecommunications, Marconi Avionics, Marconi Radar, Marconi Space and Defence, and GEC Computer Services, based at Chelmsford. Its first year budget is expected to be £20m.

Mr Derek Roberts, GEC director of research and development, said yesterday the subsidiary was intended to be "a clearing house for software already developed and marketing and selling the best of it. But it will be also responsible for sponsoring new work and using software development staff within the group more efficiently."

GEC Software would begin as a "small corps" based in one of the group's central London offices, opening in three to four months. This group of about 200 would try to iron out inconsistencies in software development at the same time as picking software products which might be sold.

GEC employs more than 3,000 computer programmes and analysts who produce millions of pounds worth of software every year. Mr Roberts said that much of this was often duplicated across GEC several times because there was no central control.

The group took its first steps towards eliminating duplication or incompatibility of computer programmes by compiling a report 12 months ago about what software was being used or written. This led to the adoption of the Unix computer operating system as a standard for software development in all divisions.

GEC Software will continue to develop and seek to market software written for Digital Equipment Corporation and IBM computers used widely by the group, as well as for GEC's own 4000 Series and Series 63 mini-computuers.

Driving schools favour Datsun

By Kenneth Gooding, Motor Industry Correspondent

MORE than 35 per cent of all cars used by driving schools in the UK are Japanese and the Datsun Sunny has toppled the Ford Escort from its long-standing position as the instructor's favourite.

The figures come from the Driving Instructors' Association which for the past four years has monitored the situation, and insures about a third of Britain's 26,500 driving instructors.

The top 10 models are: 1, Datsun Sunny with 18.71 per cent; 2 Ford Escort 18.51; 3 Ford Fiesta 9.59; 4 Austin Metro 7.59; 5 Austin Mini 6.67; 6 Datsun Cherry 3.89; 7 Mazda 323, 3.61; 8 Toyota Corolla 3.35; 9 Vauxhall Chevette 2.99; 10 Toyota Starlet 2.95.

Economic Diary

Tomorrow: Department for National Savings' monthly progress report (August). Post Office engineering union special conference to oppose Government's privatisation plans, Wembley Conference Centre. Deadline for U.S. reply to EEC demand for reduced import tariffs in compensation for steel restrictions. International World Energy conference, New Delhi. Mr George Bush, U.S. Secretary of State, continues east European tour Bucharest.

Monday: Liberal Party assembly (until September 23), Harrogate. Cyclical indicators for U.K. economy (August). Marc Rich hearing, New York. EEC foreign affairs meeting, Brussels. Mrs Thatcher begins two-day visit to Holland; attends talks on EEC financial problems, Amsterdam. Caribbean islands of St Kitts and Nevis gain independence from Britain, Princess Margaret attending, St Kitts. U.S. delegation arrives in Peking to discuss final details of nuclear co-operation agreement. Latin American central bank governors meet in Caracas to discuss foreign debt negotiations.

Tuesday: Gross Domestic Products (first quarter provisional). British Tourish Authority annual report. EEC special council meeting, Brussels (and 21st). Mrs Thatcher visits European Space Research Centre before moving on to Bonn. Dutch budget. UN General Assembly reconvenes, New York. Commonwealth Finance Ministers meeting, Port of Spain. Mr Richard Luce, Foreign Office Minister, visits Singapore (and 21st).

Wednesday: National income and expenditure 1983 edition Blue Book (postponed from September 15). New construction figures (July). Association of Metropolitan Authorities annual meeting, Tynemouth, speech by Mr Patrick Jenkin, Environment Secretary. Mr George Bush returns to U.S. Mrs Thatcher meets Chancellor Kohl, Bonn.

Thursday: Countryside Commission annual report. Britain and China resume talks on Hong Kong, Peking. IMF meeting, Washington. Bundesbank council, Bonn. Mr Casper Weinberger, U.S. Defence Secretary, leaves for visits to China, Japan, Pakistan and Italy.

Friday: Sales and orders in the engineering industries (June). Informal meeting of EEC Energy Ministers, Athens. Cortes to debate 1984 budget, Madrid.

Talks on seamen's pay claim open cautiously

BY JOHN LLOYD, INDUSTRIAL EDITOR

TALKS ON pay rises for the country's 25,000 seamen opened cautiously yesterday with both sides prepared to indulge only in light skirmishing.

Mr Jim Slater, general secretary of the National Union of Seamen, presented a claim for an unspecified rise on the basic rate of £78 a week, improved overtime rates and longer holidays. He warned the General Council of British Shipping there would be "serious trouble" if the shipowners attempted to attune their offer to the Government target of 3 per cent.

The council's formal response will be delivered on November 3, but the offer is certain to be low. The council said yesterday that the economic position of shipping had continued to worsen, and pointed to the 14 per cent of world shipping capacity now laid up.

Mr John Kevile, the council's chief negotiator, said last night it would be a "very modest" offer.

Average pay rates in the industry are more than double the basic, because of the overtime worked. An adult seaman receives an average of £155 a week while on ship, falling back to £102 a week on leave.

Last year's pay rise was 5.6 per cent, giving a £4 rise on basic rates and pro rata rises on overtime rates.

Mr Slater told the council that both the Government and the shipowners were at fault for the continued decline in the British merchant navy fleet.

MacGregor–miners' union relations seem to thaw

MR IAN MACGREGOR, National Coal Board chairman, had talks yesterday with union officials during a visit to Wistow mine in Selby coalfield, Yorks.

The meeting over lunch was in marked contrast to a complete boycott by union officials at Wearmouth colliery, Sunderland, of a visit there last week by the chairman.

Since the recent "friendly" meeting between Mr Arthur Scargill, president of the National Union of Mineworkers, and Mr MacGregor, aged 71, relations appear to have thawed.

Mr MacGregor, asked if he expected a confrontation over pay this winter, said: "I have no idea. Lots of people make statements that turn out not to be correct. The British are great talkers and a great number talk too much. But when it comes to the nitty-gritty, the British are great workers."

He said Wistow, where floods have delayed production, was going to be a great mine. It had started with a few teething problems but men and management were tackling these together.

Vauxhall production hit again

VAUXHALL WAS hit again yesterday when 1,000 workers at its Luton car factory walked out in protest at its latest pay offer of 6.5 per cent. Production of the Cavalier car was halted.

About 75 cars with a showroom value of about £400,000 were lost in the three-hour stoppage by members of both transport and engineering unions.

At the Ellesmere Port factory, a walk-out by 150 electricians affected production of the Astra car and van and the Chevette.

Stoppages during the last two weeks have cost Vauxhall well over £3m in lost production and they are expected to continue until new talks between management and unions start next week.

The present pay offer is in two stages over 15 months.

CORRECTION

In the advertisement which appeared in the Financial Times on 15/9/83 on behalf of Elbee International Incorporated the name of the collecting agents should have been Bank of Credit and Commerce (Emirates) — Abu Dhabi, instead of Bank of Credit and Commerce SA London. All branches of Bank of Credit and Commerce (Emirates) are acting as collecting agents.

U.K. CONVERTIBLE STOCK 17/9/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div▽	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv. 2002	9.60	287.50	333.3	80-91	4.2	1.2	2.7	− 4 to 8	43.7	64.0	7.3	+ 4.6
Hanson Trust 9½pc Cv. 01-06	81.54	227.00	107.1	85-01	4.3	1.6	−1.5	− 6 to 1	104.7	71.3	−14.5	−13.1
Slough Estates 10pc Cv. 87-90	5.03	231.50	234.4	78-84	4.4		−9.4	−12 to −1	6.5	4.8	− 0.6	+ 5.7
Slough Estates 8pc Cv. 91-94	24.72	111.00	97.5	80-88	7.3	6.4	4.4	−38 to 14	21.1	28.1	6.6	+ 2.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Reversing through 700

LONDON

ONLOOKER

The Government Broker took the opportunity of a strong gilt market on Monday to launch a new £1bn short-dated tap. Equities, however, had a miserable week. Share prices went weak at the knees on Tuesday and the FT 30 Share Index slipped down through 700 for the first time since mid-July.

Yet the City was preoccupied with other matters. Around the bars of Throgmorton Street dealers' conversations were liberally peppered with rumours about the Government's sale of BP shares and the changes within the Stock Exchange. At long last proposals have been made to allow lay members on to the Exchange's exclusive ruling Council.

As for BP, it produced endless debate. Was the offer going to be delayed? Was the Treasury going to opt for tender pricing? How deep was the fracture between Government and oil company over the Forties Field? The guessing game ended first thing yesterday.

More from BTR

Never mind falling volumes, BTR produced its characteristic good figures this week. At the pre-tax level the group declared itself ahead by almost £10m to £58.3m for the first half of this year. However, Tilling was something else. BTR has not consolidated its new subsidiary because it only came in at the turn of the period, but it has certainly had a go at redrawing Tilling's figures.

Mr Owen Green, BTR's chief executive, has written off £30m against Tilling's energy equipment activities in the States, reducing Tilling's half-time figures to a loss of £1.4m. Mr Green's view of things certainly casts a different light on Sir Patrick Meaney's defence forecast of a profits recovery to £95m for Tilling this year. Only now can the market see how vulnerable Tilling was to BTR's record-breaking £660m cash and equity offer.

Having got Tilling down to a level where its profits line can only go one way, BTR's next priority will be to shake some cash out of its new subsidiary. The year-end balance-sheet for the enlarged group will probably show a mountain of debt equal to more than 85 per cent of shareholders' funds. And that assumes a fairly large revaluation of Tilling assets. So far, the BTR men seem to be shunning the easy route of hanging "For Sale" sign over some of the assets it has acquired.

Hanson recoups

Hanson Trust is beginning to recoup a substantial part of the £260m it paid for UDS Group in the spring. It will have £144m in the bank by the end of this month when it sells UDS's John Collier, Richard Shops and William Timpson retail chains to their respective managements and may yet receive more if, as is suggested, the Orbit Electronics audio-visual stores are sold to Dixons, the photographic equipment retailer.

All interested institutional investors will receive details of the John Collier and Richard Shops £104m financng proposals early next week and Hanson has already signed contracts for the £40.4m sale of the Timpson shoe shops and shoe repairs subsidiary.

Timpson, a family controlled quoted company, was acquired by UDS for £28m 11 years ago. Now, Mr John Timpson, the managing director is buying the business back with the help of a consortium of institutional investors which was put together by Candover Investments, a specialist in buy-outs of this type.

The board and family trusts will hold a majority of Timpson's equity but the bulk of the finance is coming from the institutions which will be buying the related properties and leasing the sites back to the company.

Is Woolies working?

The half time figures from Woolworth may look encouraging but equally they emphasis just how far the new management, injected during last year's institutional coup, has left to travel. Getting some semblance of stock control into place at a time of buoyant consumer spending has got the trading profit moving up from £2.2m to £12m though the heavy burden of debt has meant another loss of £6.3m against £18.7m after interest charges but before property disposals.

The bright spot was the DIY chain B and Q where operating profits of £7m on sales of £100m is a good margin for the sector. Even the traditional High Street Woolworth stores seem to be getting something right. The timing of price cuts has proved far more effective than the previous management's Operation Crackdown and with volume up net margins have been going the right way.

Improvements during the current six months are unlikely to be as impressive, though with the usual seasonal swing Woolworth could end up with pre-tax profits of £15m under its belt. That may be doubled if property profits are added in. Yet profit projections for this year are virtually academic and anyway there will inevitably be some ugly stock write downs.

Turning Turner

Having been high on the corporate danger list Turner and Newall looks almost ready to be discharged from the intensive care ward. Under the skilled knife of Sir Francis Tombs disposals and working capital constraints have chopped £70m off group debt bringing it down to £68m.

The resultant drop in interest charges, which were almost halved to £6.6m in the six months to June, combined with a small uptick in operating profits has returned T&N to the black. Pre-tax the group made £4.9m against a loss of £4.5m i nthe first half of 1982. In its last full year T&N produced a pre-tax loss of £19.3m and after extraordinary items wiped £72.1m off its reserves.

For the year T and N could be up around the £12m to £14m pre-tax mark despite the recession in parts of Africa and India which is putting a brake on the rate of recovery. The period of major disposals is probably over and now the task ahead is to crank up trading margins

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Govt. Secs. Index	81.15	+ 1.17	83.60	77.00	Curbs on overseas roll-up funds
F.T. Ind. Ord. Index	694.2	−10.7	740.4	598.4	Overshadowed by BP sale
F.T. Gold Mines Index	642.1	−48.9	734.7	531.5	Nervous selling/Gold price fall
Allstate Expl'n	48	+ 8	50	32	Interest in Tasmanian gold find
Baraoora Tea	200	+50	200	84	Bid from James Finlay
BP	426	− 8	452	296	Government share sale
Douglas (Robert M.)	60	−15	82	60	Poor int. figures
Garnar Booth	98	+10	106	60	Vastly improved int. profits
Mellins	110	−20	240	92	Bambers Stores affair
Pacific Copper	77	+12	78	46	Increased bid from Bond Corpn.
Pearson (S.)	370	+38	374	270	Int. results exceed expectations
P. & O. Defd.	222	+ 9	226	108	Sterling Guarantee stake
Polly Peck	£30	+ 4½	£35¾	£13½	Middle East food contract
Solex A	63	+11	63	23	Bid/recovery hopes
Staveley Inds.	218	−34	305	218	MC white salt investigation
Strong and Fisher	55	+ 8	62	27	Speculative demand
Tecalemit	46	+16	46	19½	Bid from Siebe Gorman
Turner and Newall	65	+ 7	71	24	Strong interim profits recovery
UKO Int'l.	96	+10	97	33	Revived bid speculation
Wheeler's Restaurants	485	+125	485	275	Approach to family shareholders

Up and then down

NEW YORK

TERRY DODSWORTH

MARKETS live from day to day. But in one spectacular period this week, the New York Stock Exchange showed how perilously they live from hour to hour.

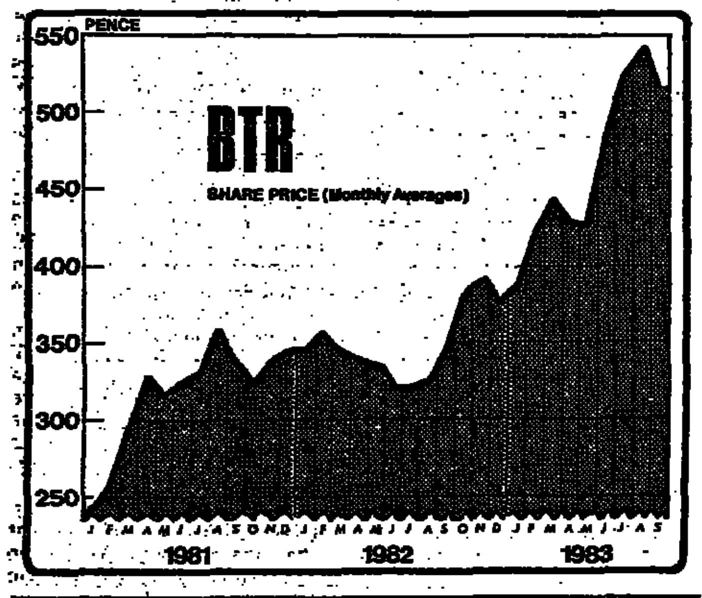
It all happened on Monday, and it was perfectly predictable that there would be an explosion of some kind. The money supply figures on the previous Friday had proved far better than Wall Street analysts had predicted. So the bond market had reacted by leaping up a couple of points, the dollar had strengthened, and the way was open for the equity market to follow. It did just that—20 points in an hour, with volume rising to 37m shares in the same period, the sort of figure that had not been seen all summer.

Then a lot of the big institutions had second thoughts. Even if the money supply experts had proved over-pessimistic for three weeks in succession, surely it was unlikely that they could be totally wrong. The bad figures were just being delayed—and anyway, there were some very juicy profits to be taken at these near record levels. Like the Duke of York's troops, the index marched all the way back again travelling through a 30 point spread before finishing 10.67 points off on the day. The Dow Jones Industrial Average failed to recover from this debacle during the rest of the week, drifting forlornly down

Given the inaccuracy of Wall Street's forecasting, there was a certain poetic justice in the fact that the stocks that were the most convincingly hammered in this retreat were those of the security houses—although, of course, the type of volume generated on Monday can only help them. Merrill Lynch started the rout by issuing a statement saying that its earnings would show a fall in the current quarter compared with a year ago.

Despite the overall volume decline, however, the market still seems plugged into the growth psychology. Over the last few weeks this mood had pushed up sectors like steel and aluminium which will benefit from the second leg of the economic recovery. More recently, attention has been focused on the chemicals industry, which has been pounded by three very leans years, but should soon begin to show the benefits of higher demand in the profit and loss accounts—overheads have been cut and breakeven points substantially cut during the recession. This week both Dow Chemical—at $36½, and Du Pont, at $52⅜ have both traded at very close to their twelve month best.

MONDAY	1,229.07	−10.67
TUESDAY	1,224.09	− 4.98
WEDNESDAY	1,229.47	+ 5.38
THURSDAY	1,215.04	−14.43



Gold Fields looking for cover

MINING

GEORGE MILLING STANLEY

THE SHARE market can usually be relied upon to make a pretty accurate assessment of company results, but sometimes it takes a little longer to appreciate the full significance of the statements which normally accompany such an announcement.

The London share price of Consolidated Gold Fields dipped to 600p before the release of the figures for the year to June 30 on Tuesday, as nervous shareholders began to wonder whether the group could match the more optimistic estimates of pre-tax profits not far short of £90m.

The price rallied to close the day at 614p after the announcement of profits of £89.7m and an unchanged final dividend of 16p, making a total for the year of 24.5p.

This last was particularly well received, as several of the more pessimistic commentators had suggested that there might have to be a cut in the payment.

Wednesday saw the price edge downwards 2p in a market generally unsettled by the decline in the gold price, and the same happened on Thursday.

Friday's drop to below the 600p level was the first substantial movement since the initial advance on the good news about the results, and suggests that the market has at last taken notice of the chairman's remarks about the immediate outlook for dividends.

Mr Rudolph Agnew made it clear that Gold Fields is unhappy with a dividend which is covered only 1.2 times by earnings, as was the case in 1982/83, or even the 1.6 times of the previous year.

He went on to explain that the group is really looking for a dividend which is twice covered by earnings, on average over the whole cycle of metal prices.

The priority now, he said, is to restore the level of dividend cover. That would seem to leave little scope for any rapid increase in the payment unless earnings improve quickly, and that in turn is largely dependent on the gold price.

As far as bullion is concerned, Mr Agnew said he does not expect any excitement in the next few years.

There should be no need for a substantial re-rating of the shares, however. Gold Fields has shown courage in maintaining the latest payment at the expense of a fall in dividend cover which would be unacceptable over the long term, and was wise to base its decision on prospects for the next couple of years.

As Mr Agnew pointed out, the group has simply been performing one of the prime functions of a UK-based mining finance house, namely to smoothe out the income stream to shareholders from what is essentially a very cyclical business.

That is precisely what Gold Fields' dividend payments have done, in real terms, over the past 15 years of extremely volatile metal prices.

With the painful surgery necessitated by the group's ill-judged and ill-timed ventures into non-mining activities in north America behind it, Gold Fields should soon be in a position to resume the pattern of growth.

This will not be immediate, however. The better performance of the 48 per cent-owned Gold Fields of South Africa, following the rise in the gold price, was not accompanied by a comparable increase in dividend payments. This group, too, opted to improve cover, and simply maintained the previous year's level.

That shareholding is not, of course, the group's only interest in South African gold mining. Gold Fields also has substantial direct shareholdings in many of the individual mines, and dividends received from this source jumped by £7m to £25m last year.

Unless there is an explosion in the gold price, or a marked deterioration in the rand/dollar exchange rate, there is not much chance of a repeat performance in the current financial year.

The mines in the Gold Fields group have produced their annual reports this week, too, and none of the various chairmen held out any real hope of increased dividends this year.

The best that shareholders, including Gold Fields, can look for seems to be maintained payments, and even that hope depends on a number of imponderables.

The statements included the customary caveats about the course of the gold price and currency parities, but the mines will also have to cope with new problems this year in the shape of the growing militancy of the black miners' trade union, the National Union of Mineworkers, and the continuing drought in the country.

This latter has not so far affected power supplies to the mines, and there have been no indications as to how power will be rationed between the general public, mining and other industry in the event of cuts.

UNIT TRUSTS

A look at three new funds launched this week

Sending your money up north

HAMBROS BANK this week launched the first unit trust to invest exclusively in the four major Scandinavian stock markets.

The four markets—those of Sweden, Denmark, Norway and Finland—have been among the top five performing stock exchanges in the world for the first six months of the year.

The trust will adopt a relatively high-risk profile by investing in only 25-30 companies in Scandinavia. The emphasis will be on companies in the high technology sector, including energy and biotechnoolgy.

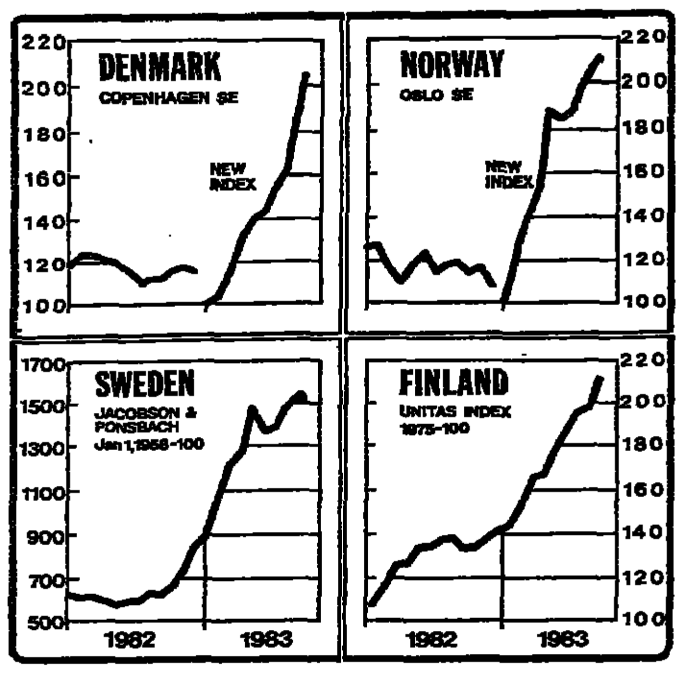
Hambros is perhaps the best placed of London Merchant banks to manage a Scandinavian fund, because of its long standing banking and trading ties with the region. And the Hambros team has been strengthened by the appointment of outside advisers from the major Scandinavian broking and investing businesses.

The advisers will play an active role, both in the weighting of the portfolio between the countries and in the selection of individual stocks.

There is a suspicion, however, that the fund may have been launched a year too late. The Swedish stock exchange, the largest of the four has already risen 40 per cent in the first six months of the year, and the Norwegian Stock market by 56 per cent. But Hambros believes that the rapid advances will continue, particularly in the Norwegian and Finnish economies.

To protect investors from unfavourable exchange rate fluctuations, Hambros has included a hedging facility in the trust. Units in the trust will be offered at a fixed price of 50p each from September 19 to October 3.

Andrew Arends



The Scandinavian stock markets

Health for your wealth

UK INVESTORS are being offered their first opportunity to put money in the healthcare sector through managed funds. Two investment companies are launching rival unit trusts this weekend.

The fund being launched by Henderson Unit Trust Managers will invest in four primary areas—private hospitals and hospital facilities, drugs, medical equipment and ancillary services such as computers and hospital catering. Geogrphically 60 per cent of the initial portfolio will be invested in North America, 20 per cent in Europe and 20 per cent in the Far East, mainly Japan.

Henderson's whose investment performance record has been among the best in the UK during the past five years, decided to launch the Global Healthcare Unit Trust in the light of the disproportionate contribution that healthcare stocks have made to their North American funds, particularly their American Smaller Companies Trust. About 20 per cent of their North American portfolios is in the healthcare sector.

The managers claim their ability lies in spotting small undervalued companies that have recently moved into the sector. The fund will adopt an aggressive profile containing only 30 to 40 stocks.

The other fund is being launched by Citicorp, the biggest U.S. banking group, in Jersey. Its portfolio will be more diverse, containing about 250 companies, and emphasis is being placed on medium-sized U.S. companies specialising in biotechnology and diagnostics.

The group already runs a similar fund in the U.S. which has shown a 100 per cent appreciation since it was launched just over a year ago. But the new Jersey-based fund is unlikely to appeal to smaller investors as its minimum investment is $25.000.

Both funds are expected to prove fairly sound defensive investments as the earnings of U.S. healthcare companies have continued to grow steadily even in times of recession. The longer-term prospects for the growth of the sector, the fund managers say, are assured by the rising proportion of gross national products in most countries devoted to health expenditure, and their ever-aging populations.

Clive Wolman

CAPITAL TRANSFER TAX . . .

Forget the value—look at the form

In the concluding article in this series, CLIVE WOLMAN surveys some of the less used ways of holding your property to cut the tax bill.

THE AMOUNT of Capital Transfer Tax you will have to pay on your property depends not only on the value of the asset. What is often more important is the type of property and the way in which it is held.

The graph shows the assets passing on death in estates of four different values, in the UK 1980-81. Of these assets, the most tax-efficient to hold are insurance policies, some forms of land, trade and partnership assets, unlisted securities in businesses which you personally own but not your home.

The wealthier you are, the more important it is to hold your wealth in these forms.

These are a few of the devices used by the wealthy to take advantage of specific reliefs from CTT on certain categories of property:

- Buying up a sleeping partnership or private company to use the 50 per cent relief granted to a personally owned business whose shares are unquoted.
- Becoming a name at Lloyd's where a similar relief is available on the money deposited to cover underwriting losses.
- Buying agricultural land or farm buildnigs.
- Making an investment in forestry or woodland. Through buying shares in a forestry trust, even small investors can make use of the CTT and other tax reliefs.

The most tax-efficient form of holding your property without surrendering any significant control, is through a discretionary trust, with yourself as one of the trustees.

Use your annual CTT exemption on gifts of up to £3.000 and your ten-yearly exemption worth £60.000 by transferring assets from your estate into the trust.

The last Labour Government imposed a 10-yearly "wealth tax" on assets in discretionary trusts and a further charge on payments out of the trust.

But if there is one thing as certain as death and taxes, it is the existence of tax loopholes. The complex way in which discretionary trusts are taxed means that trusts holding a small amount of assets are effectively taxed at a lower rate than wealthier trusts.

So a major saving will be made by setting up lots of little trusts on successive days.

If the property put into each of the trusts comprises bonds or other non-income-producing assets, the accounting and other administrative costs are minimal.

The only significant costs are the setting-up costs which amount to about £50 to £100 per trust, where large numbers of trusts are involved, city accountants Neville Russell estimate.

Such sums may be small in comparison with the tax saving. Stuart Chapell, of Neville Russell, calculates that a discretionary trust the value of whose assets have risen to £120,000 would be liable to a CTT 10-yearly charge of £3,072. By contrast, if the assets were evenly divided between four or five discretionary trusts set up on consecutive days, the tax charge would be only a few hundred pounds.

There may also be capital gains tax advantages in using a battery of discretionary trusts. For no matter how many trusts you have created, each will enjoy an annual exemption from CGT on capital gains of £365, at least and possibly more.

CTT however is avoidable on the initial transfer only if the value of it is small. Those wishing to put much more than £60,000 into discretionary trusts will still face a substantial tax charge.

Barrister and former Oxford University lecturer on tax law Robert Venables believes that it is possible to avoid the CTT charge on transfer to discretionary trusts entirely, using a device called "the revocation trick."

A series of trusts is set up on successive days but each deed allows the donor to dismantle the trust on a specified day, say a month hence. Venables believes that because of a technicality in tax law, no CTT will be payable.

All the scheme involving multiple discretionary trusts have yet to be widely used or tested. Readers considering their use should check them with a specialist solicitor or accountant who is aware of their personal circumstances.

To date, however, the Inland Revenue has made no attempt to clamp down on the use of either multiple discretionary trusts in general or the revocation trick in particular, although both are artificial devices.

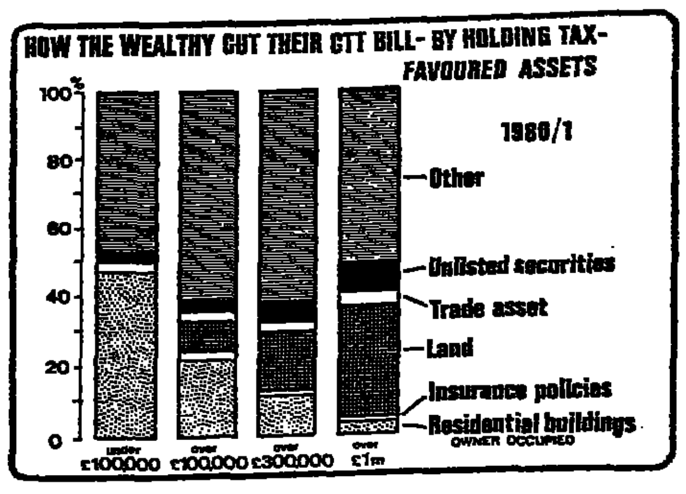
A solicitor, David Landau, who is a clerk to the tax commissioners, believes that multiple discretionary trusts are safer from attack by the taxman than the inheritance trusts, which use a gift and a loan.

He thinks it would be difficult to distinguish between setting up one discretionary trust and setting up several dozen. But he believes they are less vulnerable because they are not being mass-marketed and thus represent less of a tax loss.

Another scheme which has received the implicit approval of the Inland Revenue is marketed by two insurance companies, Legal and General, and Property Growth Assurance.

The donor gives away a major chunk of his capital but retains the right to receive an income from it until he dies.

The Inland Revenue has agreed to treat the transfer as being worth less than a straightforward gift when the rights to both income and capital are forgone.



The size of the discount granted by the taxman is indicated by Legal and General's illustration of a couple in good health aged 65 and 63.

They make a gift in the form of term and endowment insurance policies of £101,000. But because they retain the right to receive an income (equal to 5 per cent of the value of their invested capital) until they both die the value of the gift is deemed to be only £43,800 for CTT purposes.

According to Brian King of Christchurch tax consultancy, even a woman of 87; one of his clients, who made a gift of £95,000 had it discounted to £60,000 for CTT purposes.

One advantage is that the gift has an immediate effect at the discounted value. Ten years later, you can switch the clock back to zero and use up your full 10-yearly exemption once more.

The disadvantage is that the scheme has little flexibility if circumstances change. You cannot retrieve your capital nor can you alter the potential beneficiaries who will receive it on your death, although the trust deed gives you some scope for manoeuvre between designated beneficiaries.

In their simplest form, term assurance policies can be an effective way of covering the cost of any CTT likely to arise on your death.

The premiums may be paid out of the £3.000 annual CTT exemption and they will normally attract the standard 15 per cent tax relief as well. The policies must be written in trust to ensure they reach the intended beneficiaries.

SAVINGS OFFERS

هكذا احسن الآهل

. . . OFFSHORE ROLL-UP FUNDS

Sell out, buy back and watch for the loopholes

THE END is nigh for what has become the most popular tax avoidance scheme ever to be marketed to the British public.

On Thursday the Chancellor, Mr Nigel Lawson, announced that legislation would be introduced to kill off the offshore roll-up funds which are designed to convert income into capital.

But investors need not withdraw their money until December 31. Even after that, some of the funds, in particular Lazard Brothers Sterling Reserve Fund, may be able to exploit some of the loopholes in the legislation to continue offering the same service.

Investors in these funds, whose combined value now comes to nearly £1.5bn, receive interest at a rate similar to that offered by the UK onshore money market funds. But the interest is ploughed back to boost the value of the fund. Only when he withdraws his money is the investor liable to tax, not on the income but on the "capital gain." After inflation adjustment the current effective rate of tax is between only 0 and 15 per cent, instead of the 30 to 75 per cent rates on investment income.

The funds have soared in popularity since last September when the Inland Revenue decided it was unable to tax the profits from them as income under existing legislation.

The new rules will be incorporated into the 1984 Finance Act next March, Mr Lawson said, but will be back-dated to have effect from January 1. However provided you withdraw your money before that date, you will be liable only to CGT and not to income tax on the profits.

Rothschild's Old Court International Reserves Fund, the largest, has no entry or exit charges and several of the other funds have a similar policy. So even if you have just put your money into one of these funds, you should suffer no penalty.

Another concession made by Mr Lawson, probably for administrative reasons, is that in future investors in the roll-up funds will suffer income tax on their profits only when they withdraw money from the fund. This means that higher rate taxpayers may defer their liability to tax until, say, their retirement when their marginal tax rate is likely to be lower.

But the Inland Revenue's lawyers are likely to face great difficulties in drafting suitable legislation. Lazard's fund is one which is designed to avoid receiving any income itself. For example, it will sell bonds at an augmented price shortly before the dividend is payable.

In effect the process of converting income into capital gains is taken further back along the line. Legislation to stop such "dividend-stripping" dates back to the 1920s but it has never been wholly successful.

As Mr John Kay, director of the Institute for Fiscal Studies, said on Thursday: "The roll-up funds illustrate a much wider problem. The distinction between income and capital gains on which the UK tax system is based fundamentally an arbitrary one."

The best policy may be to cash in your holdings in the last week of December and then reinvest a week later in one of the roll-up funds which has a facility for avoiding the receipt of income, and which imposes no entry or exit charge.

If the new rules in March-April fail to clamp down on such a fund, you win. Even if they do clamp down on such a fund, you won't lose if you withdraw. Or you can stay in and defer your tax liability.

Clive Wolman

Putting money with Lloyd's

JOHN MOORE continues his series on becoming a name in the insurance market.

INDIVIDUALS seeking a stake in the prosperity of the Lloyd's insurance market, the City's unique commercial club, must first show that they have wealth of at least £100,000.

Once inside Lloyd's the new member must produce a deposit in funds or some other acceptable security before trading can be carried out on the member's behalf by the Lloyd's professionals.

Lloyd's is concerned that no professional underwriter should expose his clients to more risk than they can bear.

Lloyd's relates the amount of insurance business which can be carried out on a member's behalf to the private wealth of the member.

If an individual declares that he has a £100,000, a maximum of £200,000 of insurance business can be accepted on his behalf.

A members' deposit is held in trust and is available solely as security for his underwriting liabilities. The level of deposit is regularly reviewed by the Lloyd's ruling council.

If a member shows wealth of £100,000 and £200,000 of insurance premiums in the market are accepted by his underwriter, then the deposit must represent 25 per cent of the amount of business accepted — in this instance, £50,0000. But a minimum deposit of £25,000 must be lodged.

Members joining Lloyd's do not normally use up the full amount permissible and the deposit required is strictly related to the amount of business actually carried out on their behalf.

As an alternative to cash deposits, Lloyd's is prepared to accept some contracts issued by approved insurance companies as collateral. Under these arrangements a life assurance company provides a guarantee to Lloyd's that in the event of a cash call on a member, the company will provide cash up to a pre-determined level. Such guarantees may be used to cover 100 per cent of a Lloyd's deposit by a UK member.

An element of portfolio management is provided by the underwriting agent. All members of Lloyd's are grouped into syndicates, ranging from a few members to thousands of members. At the head of the syndicate is a professional insurance underwriter who transacts business for the 17,000 members of Lloyd's who are not insurance specialists.

The syndicates specialise in various classes of insurance business, such as marine (the insurance of ships and their cargoes), aviation, motor or general insurance business. The agent will ensure that a member of Lloyd's participates in a range of syndicates, so that if one syndicate does badly, its performance will be offset by the good performance of another.

Here is an example of a member joining Lloyd's with wealth of £100,000 and a premium limit of £200,000. Perhaps £70,000 of his premium income limit will be allocated to a marine syndicate, another £70,000 to a general insurance syndicate, £20,000 to a motor syndicate, another £20,000 to an aviation syndicate, while £20,000 of his overall underwriting limit may be held in reserve for allocation to another syndicate at a later date. The professional underwriter on the syndicates is not allowed to exceed the limits set by Lloyd's on the amount of business to be accepted on the member's behalf.

● Next week: Tax advantages.

BUILDING SOCIETIES

Cartel busting and home loans

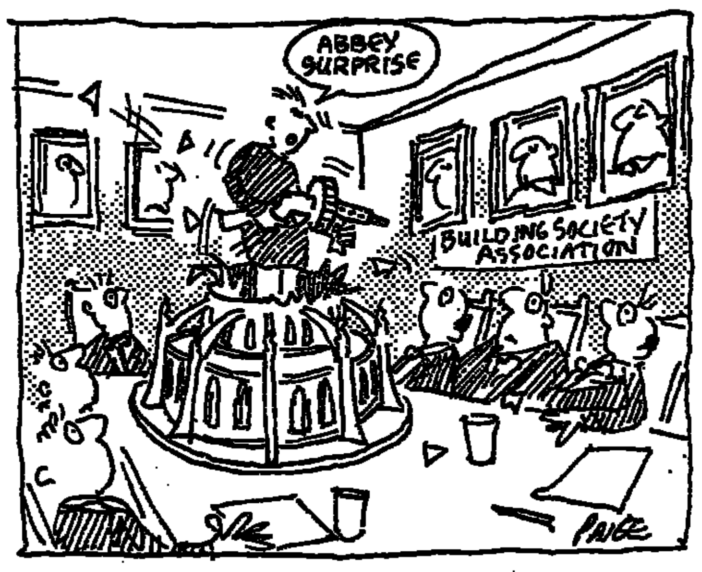
The outlook for the interest rates offered to mortgagors and investors following Abbey National's decision to abandon the cartel.

AS THE dust begins to settle following the Abbey National's surprise decision to quit the *interest rate cartel, it is becoming* clear that stable rates for savings and mortgages are coming to an end. It should mean a better deal for investors and easier access to mortgages—but at a higher price.

Mr Clive Thornton, Abbey's chief general manager, predicts that his main rivals—the Halifax, Leeds Permanent, Nationwide and the Woolwich—will follow suit once Abbey's three months' notice runs out in December. He points out that except in the improbable event that they persuade him to change his mind they will be automatically free themselves to move out of the cartel.

Although the other leading societies still claim that they will stick by the cartel there is general acknowledgement that if Abbey makes better offers to the investor they will have no option but to compete.

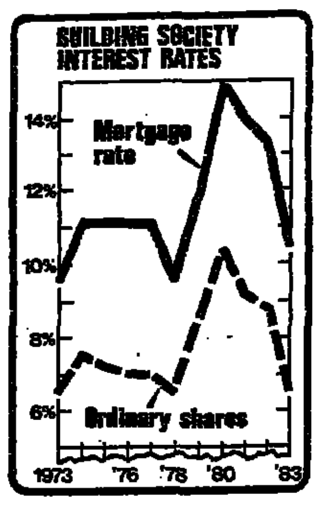
Mr Thornton claims, however, that quitting the cartel will not mean he has to pay more for his funds. Rather, he intends to use his greater freedom to restructure and simplify the range of savings schemes which the Abbey offers. He maintains that the public is confused by the plethora of new schemes which are launched almost daily. An important factor will be the flexibility to react to the market without having to give the requisite 28 days' notice now required by the Building Societies Association for schemes which offer withdrawal without penalty within 28 days.



In the meantime Mr Thornton promises investors a "nice surprise" in a month's time. *This is likely to be an increase* of ½ per cent to 8 per cent on Abbey's seven days notice account. This is the vehicle which Abbey would have liked the other big four societies to introduce—at this higher rate—in their attempts to regain their market position, instead of the new two-year premium income shares which the five jointly launched at the beginning of this month.

These pay a guaranteed differential of 1¾ per cent above the ordinary share rate. At present interest rates this gives a net return of 9 per cent, equivalent to 12.86 per cent gross which, in Mr Thorton's view, is too costly. Abbey will, he says, be abandoning "at the earliest possible moment" its scheme for these shares—probably within the next month or so. Originally the five leading societies had planned to raise £1bn over the next five months with this limited offer. As well as regaining their market share *lost to the small societies* the expected inflow of funds was also supposed to help end mortgage queues.

Clearly these shares should be snapped up quickly before the other societies follow suit. But there are likely to be other "nice surprises" in store for investors once the societies break free of the cartel. However, the better offers in future are likely to come from the bigger, nationally-based societies rather than the smaller ones which have recently led the field. Once the societies are competing in a free market the stronger and more efficient societies will come into their own.



The smaller societies have until now been able to offer better rates by charging higher interest rates and operating steeper differentials on big mortgage loans. They have been able to do so because of the inability of the larger societies to meet mortgage demand since the banks withdrew from the market.

By operating more and more outside the recommended interest rate structure—both on ordinary share accounts and more particularly, with short notice, high interest schemes—they have been offering better returns. By ignoring the BSA 28 days' notice requirements they have also tended to steal a march on any new schemes planned by the bigger societies which have largely played by the rules and given the necessary advance warning.

In fact it was the move by some of the smaller societies to bring out their own two-year schemes offering better terms than those of the big five that was the "last straw" for Mr Thornton.

How soon the higher rates paid on to savers will be passed on to home buyers remains to be seen. Abbey has already said that it won't be increasing the mortgage rate, and indeed Mr Thornton has gone so far as to say he expects a reduction of up to 1½ percentage points by the spring.

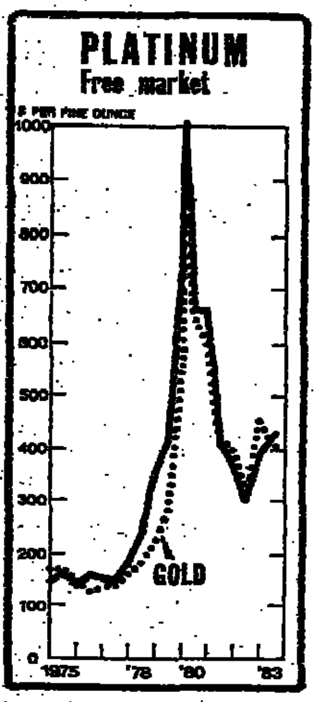
For all the societies there will be psychological as well as political reasons for resisting any increases for as long as possible—unless market rates move conveniently in favour of such action. Also if the expected increased inflow of funds materialises as a result of the higher returns then there should be more than enough to meet mortgage demand. This will limit the pressure to in*crease rates.*

Ultimately, however, it is anticipated that lending as well as investment rates will become more market-sensitive and thus subject to more frequent movements up and down. And without a cartel in operation the building societies will no longer be in a position to set the mortgage rate *artificially* low as they have been doing in the recent period of excess demand for loans.

METALS

Why King Croesus got it wrong

CLIVE WOLMAN looks at investing in a metal about to challenge gold on the mass market—platinum



THE CATASTROPHE theorists, who fear a collapse in the world's banking and monetary systems, will next week be offered an alternative "ultimate asset" to hoard away alongside their gold.

The two major world producers of platinum, the South African-based Impala and Rustenburg, will be putting on sale platinum coins and bars for the small investor.

Rustenburg will be launching its platinum ingots products next Wednesday and Impala is to follow suit a few weeks later.

Their aim will be to challenge the monopoly of gold as the only commodity to be bought and held in substantial quantities by small investors.

The two metals share several characteristics, which make them attractive to investors. Only small amounts of each are mined every year. In 1982, the figure for platinum was about 2.5m ounces.

The total estimated reserves of each metal buried beneath the ground is tiny. And most of those reserves are in South Africa, with the Soviet Union also holding sizeable chunks.

But according to Philip Taylor, of stockbrokers Rowe and Pitman, the reserves of platinum are still enough to last for 460 years at the present rate of consumption. And the current market price is well above the costs of mining and distributing which come to about $250 to $300 an ounce. In a future recession, both the South African mining companies and investors could be tempted to produce and dump large stocks on to the market, driving down the price.

As the graph shows, the prices of gold and platinum tend to move in line although last year the price of platinum fell below that of gold for the first time in seven years.

During the 1970s, both metals enjoyed the reputation of being "counter-cyclical" assets. When the price of your stocks and shares was falling through the floor, at least you could take comfort in watching the value of your gold rise.

But following the two price peaks gold and platinum achieved in 1980, they followed the world stock markets down with only a short lag.

But that is where the similarity between the two metals ends. For whereas gold is a precious metal, bought primarily for decorative and investment purposes, platinum is a strategic metal which plays a vital role in several industries.

Much of the allure of gold lies in the mythology surrounding it. The sales brochures are full of references to King Croesus of Lydia and the religious ceremonies of the Sumerians and ancient Egyptians.

Platinum's history, by contrast, goes back only 240 years. But the aesthetic qualities of this white, silvery metal should not be dismissed.

The Japanese are the world's largest consumers of platinum and 70 per cent of their demand is for jewellery. And it may be possible to shift the tastes of Americans and Europeans by clever marketing, as De Beers showed with their diamonds in the 1930s and 1940s. But so far Rustenburg's efforts in the U.S. and UK have had a mixed response.

The industrial uses of platinum mean that ultimately demand has a more secure basis than the whims of human vanity on which gold depends. The applications of platinum stretch from auto-emission controls to glass, chemicals, synthetics and electronics. The use of platinum in electrolytic fuel cells is expected to be a major source of demand by the 1990s.

However, the possibility of using substitute strategic metals in most of these processes will tend to keep a lid on the price

Dr Fred Collinder, the geologist and mining consultant at stockbrokers Strauss, Turnbull, forecasts that, in the medium and long term, the price of platinum should remain well above that of gold. At present the price is depressed by the large stockpiles waiting to be dumped on the market. But these will be swiftly removed by a sustained economic recovery.

However, he points out, platinum coins have several drawbacks. The premium to be paid for a coin over the "raw" metal will be greater than that for Krugerrands, because platinum is more difficult to work. And platinum coins will also be easier to forge.

Over the past ten years, platinum has proved a more volatile and therefore riskier investment than gold (see graph). This risk can be reduced however if you spread your purchases over three to four years.

But remember, if Johnson Matthey's marketing boys can't persuade you that platinum is full of mystique, beauty and beauty and virility, or is a girl's best friend, then think twice before buying it: the only "dividend" you receive for as long as your capital is bound up in the stuff is the pleasure from looking at it and showing it off.

Protecting the small metals speculator

JOHN EDWARDS on a compensation fund scheme proposed by the London Metal Exchange

CONFUSION HAS been created by the abrupt announcement from the London Metal Exchange that it is to introduce its own compensation fund scheme to protect private clients.

Details of the planned fund are distinctly hazy, because the Exchange at the moment has consulted only its member companies for their views and nothing has been finalised. Initial suggestions are that the Exchange will create a cash fund, backed up by members' guarantees and possibly an insurance policy against "catastrophes."

However, to emphasise that the compensation fund will be designed to cater only for small private clients, the Exchange said the scheme would only guarantee to pay out a maximum of £7,500 per individual.

This figure is based on the maximum compensation allowable under the deposit protection scheme of the 1979 Banking Act. The principle is that large speculators can look after themselves and it is the small investor who needs special protection.

It is understood that the Bank of England has given the nod of approval to the Metal Exchange's plan.

But it came as a bombshell to the Joint Exchange Committee, made up of representatives from all the London futures markets—including financial futures, all the "soft" (non-metal) markets and the London Metal Exchange.

It hoped to present a united front to Professor Jim Gower in time for his revised report on investor protection to demonstrate that the futures markets can regulate itself.

After the recent scandals concerning commodity companies, involving the loss of investor funds, Professor Gower is in favour of more positive action.

The go-it-alone decision of the LME and the meagre compensation it is offering may persuade Gower to compel co-operation between the futures exchanges by legislation. Otherwise members could be involved in several different compensation funds at the same time.

An unwilling trustee

By OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

One of the three trustees a former solicitor of an estate which consists of a portfolio of stocks and shares has told his co-trustees that he wishes to have nothing further to do with the trust, and that he expects the trust to pay any costs occasioned by his retirement. The other trustees do not wish him to retire and are reluctant to put the trust to what they see as unnecessary expense. Can the trustee concerned be stopped from retiring or insist on retiring at the expense of the trust?

On the footing that the trustee who wishes to retire could be held back from doing so by the other's refusal to sanction payment out of the trust fund of the costs of his retirement, it is likely that the two other trustees could prevent his retirement. This is, however, likely to be a pyrrhic victory since a trustee who is unwilling to act can obstruct the administration of the trust simply by passive resistance. As the decisions of trustees of ordinary private trusts must be unanimous, an unwilling trustee may prove a considerable embarrassment. Our advice would therefore be to let him retire at the trust's expense.

Reinstatement of an old house

My home is in a conservation area and is on a listing as a building of historic interest.

A surveyor has suggested that we should find out about the insurance aspect. Suppose the building became a total loss, would I have to (1) Rebuild it in the present style and appearance? (2) Could I plan it anew (it has several awkward features at present)? (3) Would I have to rebuild it is it now stands but to modern building regulations? This is my main worry.

Cavity walls, eight-ft-high ceilings, etc. would be almost impossible to realise.

If the building were a total loss as a result of an accidental fire you would not be obliged by planning law to rebuild it. It is considered that the Secretary of State has no powers under the enforcement provisions in the Town and Country Planning Act 1971 (see sections 55(i) and 96) to require a listed building to be reinstated where it has been damaged by accident: see *Re 6 Market Square, Stafford* [1981] JPL 443. Otherwise an enforcement notice under Section 96 can require reinstatement. However, if you wish to rebuild, you may find it difficult to obtain consent to the plans for the new building unless they match the general appearance of the previous building. But this should not exclude replanning features which are not currently satisfactory. It is also likely that you would have to comply with modern building regulation requirements. This is itself a help in keeping away from producing a replica.

Company to hold a house

I am in the process of moving and buying a house with about two acres of ground, an appreciable portion of which was used as a horticultural holding by the previous owners.

It has occurred to me that I might be able to secure several advantages by transferring the freehold to a Limited Company with say an authorised capital of £100 in 10p ordinary shares of which I could take 10 and issue one to either a close relative or my accountant.

I thought that such an arangement might (a) not incur any extra Stamp Duty or CTT over a sale to individuals (b) enable me in the future easily to transfer my interest in the property to younger relatives in amounts below the CTT exemption limit (c) permit the sale of the property by way of the issue of further shares and the cancellation of others, thereby saving Stamp Duty. (I appreciate that the unconventionality might be a disadvantage in this connection.) (d) enable the Company to hold 75 per cent of the capital of a trading subsidiary which would operate the horticultural activities on the site.

Could I please have your views on this possibility and if it is overall an advantageous one?

If the Company pays the purchase price for the property—presumably being lent the money by you—there would be the advantages which you set out. Whether those advantages out-weigh possible disadvantages is a matter of commercial appraisal for you. Thus there might be disadvantages from the point of view of Capital Gains Tax in that you would lose the exemption for your only or main residence unless you procure the company to grant you a lease of the house at a premium. On balance it is probable that your scheme would be worth while if carefully structured. It would be wise to set it up in collaboration with your accountant.

Queries about a trust

I have recently become a trustee of a family trust, but on reading the relevant documents have queries about its transactions in the past.

The trust was set up under a will, which provided that income from the estate be shared equally among two daughters during their lifetimes, but that the capital be passed on to their children thereafter.

The income consisted of rent from a house and interest on Government securities. Thirty years ago these were about equal, and it was agreed in writing between the daughters and the trustees, that one should live in the house rent free, and the other take the dividends. Over the years trustees and lawyers have changed, and it has been assumed that there was a division of the capital although nothing to this effect was put in writing. Various actions of the trust have been based upon this assumption when dealing with the two parts of the assets, which are now very different in value.

Can such a division become valid on the basis that no one has previously challenged it? As a trustee, can I require that legal advice on this matter be obtained and paid for by the trust, from a lawyer who is not a member of the family? Could the other trustees remove me for raising awkward questions?

There does indeed appear to have been a failure on the part of the previous trustees to appreciate the difference between an appropriation of income and an appropriation of the corpus of the trust fund. Mere inertia over a long period of time will not justify the unwarranted appropriation. We think that you should insist on counsel's opinion being taken—of course at the expense of the trust funds. Other trustees cannot remove you, whether for asking awkward questions or otherwise, unless the trust instrument gives them such a power expressly—even then they cannot use such a power for a corrupt purpose.

CGT and worthless shares

My wife has shares in a company which went into receivership in December last year. I wrote to the Receivers and was advised that as there was a shortfall as regards the Debenture holders the shares are worthless. I sent a copy of that letter to the Inland Revenue with my Tax Return for 1983/4 and claimed a capital loss to set against my Capital Gains for the Income Tax Year ending April 5 1983. The Inland Revenue so far are refusing to allow the loss without giving any reason for their decision.

I presume that they will insist that the loss is not allowed until the company is put into liquidation. With this thought in mind I wrote to the Receivers but they have stated that they do not know when the company is likely to be put into liquidation.

If the Inland Revenue stick to their decision is there anything I can do to bring the matter to a head?

If you are content to rely upon the law (as distinct from Inland Revenue extrastatutory concession SPD13), we suggest that your wife write to your tax inspector along the following lines:

"In accordance with section 22(2) of the Capital Gains Tax Act 1979, and on the basis of the documentary evidence already in your possession (which has not been refuted), I claim that the value of my holding of R. & J. Pullman plc shares has become negligible. I therefore claim that, on the day upon which you allow this claim (*having regard to the dicta in* Williams v Bullivant), I be treated as if I had sold the shareholding for 90p and immediately reacquired it for a consideration equal to that sum.

"Having regard to your dilatory conduct in response to my husband's informal claim on my behalf, submitted with his tax return. I am not prepared to allow this claim to remain undecided for more than 40 days. I therefore require you to send me formal notice of your decision (in accordance with section 42(3) of the Taxes Management Act 1970) within 41 days of receipt of this formal letter of claim.

"If your decision be to refuse my claim, I shall give notice of appeal forthwith. If you fail to ensure that my appeal is dealt with reasonably soon afterwards, I shall write to the Commissioners and I shall oppose any application which you may make for a decision upon my claim to be further postponed.

"If you should fail to make a formal decision upon my claim before the expiry of 41 days from receiving this letter, I shall feel justified in regarding your inaction as constituting willful default and maladministration. You will be aware, of course, that Parliament has explicitly laid the obligation to make a decision upon you (as distinct from the Board) so that you cannot hope to justify any delay in making up your own mind by saying to the Ombudsman that the Board has instructed you to prevaricate until such time as the Board's agents in the Shares Valuation Division get around to making up their minds."

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bondshare, 3m. not/pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y. on dem. (int. pen.)
				7.75	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
Anglia	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.) reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mth.'s not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	*Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50	im. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+. no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-9.00	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	9.00	Tip Top Acc. 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.25	6 mths., 9.10 28 days, 8.25 3 m.
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	8.75	5 yrs., 8.25 1 mth. interest pen.
Leeds Permanent	7.00	7.25	8.25	8.25	3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c 8.25 £500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	8.50	2 y., 9.00 3 y., 9.50 4 y., 8.25 Bns.
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.25	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

هكذا من الاصل

Horses for courses and houses for spouses . . .

BY JUNE FIELD

THE FOALING unit was empty; but outside in the paddocks of the 500-acre National Stud at Newmarket last week, Mill Reef, champion sire of 1978, now 15, tried to nibble the tips of my fingers through the rails.

The 1969 Derby winner Blakeney appeared less interested (17, but still with a fertility rate of 90.91 per cent last season), and the frisky 19-year-old Royal Palace, by Ballymoss out of Crystal Palace, cantered happily up and down his stretch of grass.

This very much royal racing country—Nell Gwyn lived at Newmarket, and Lily Langtry had her own stables at Etheldreda House, originally named for the daughter of the King of East Angles. The full story of the development of Newmarket, from the time of Charles II is told in the evocative *History of Newmarket and its Racing Headquarters*, an updated edition of *The Heath and the Turf*, just brought out at £8.95 by the Great Ouse Press, Cambridge. Author Richard Onslow describes with graphic effect how "the rhythmic thud of horses in strong work is about the only noise to disturb acre upon acre of green turf."

After lunch at Swynford Paddocks, Six Mile Bottom, hotel, once the home of Lord Byron's half-sister, Augusta Leigh, whose husband managed horses at Newmarket for the Prince of Wales, I went to the Glebe House Stud at Chevely.

The 74-acre private stud farm is on offer in excess of £750,000, and there is a certain amount of Middle Eastern interest, says Christopher Stephenson, who is handling the sale with Christopher Bidwells of Cambridge. (Stephenson recently sold the Belair, Kentucky, stud to Prince Khaled Abdullah and the Derrinstown Estate in Co. Kildare, home of Anne, Duchess of Westminster, and her incomparable steeplechaser, Arkle, to the Maktoum family.)

Glebe House belongs to seedsman Ingle Thoday, and when his wife showed me round the charming 18th-century house, it was obvious what a great affection both of them had for the place. The dining-room she had designed herself was the "strawberry mousse room" because of its crushed pink decor which set off the pine cupboards and marble serving table, and the book-filled dressing-room-study through an archway off the main bedroom was "my sulk-room"; a door off the downstairs cloakroom lead down to a cellar with seven cool rooms for wine, and in the pretty gardens was a greenhouse full of nectarines, peaches and herbs.

I drove up to the stables with the studgroom to watch the yearlings being exercised, and admired the doe-eyed foals in the fields. The bloodstock has been entered for the November sales at Tattersalls, but can be bought at a price to be agreed. Winners bred at the stud have included Canadel, Writ of Error and Bright Decision.

Trago Hanoverian Stud and Stadium in 180 acres near Bodmin Moor, Cornwall, is for sale at a figure approaching £1m. Included is a newly built house, two cottages, foaling unit, stallion yard, stable block with 40 boxes and the leisure complex with show-jumping arena, making it one of the largest privately owned stadiums in the country, with an area reputed to be larger than that at Wembley. Brochure from Christopher Stephenson International, The White House, East Garston, Newbury, Berkshire (048839 654), and Charles Ferrier, Knight Frank and Rutley, 20 Hanover Square, London, W.1. (01-629 8171).

Luttrellstown Castle Estate in 570 acres six miles from Dublin, has 11 main bedrooms, 7 bathrooms, staff wing, 8 cottages, swimming pool, tennis court and stable yard with 11 loose boxes. On offer in excess of £2.8m, it is hoped that a sale will be agreed through Knight Frank & Rutley and joint agents Hamilton and Hamilton before Christie's auction of the contents on September 26, 27 and 28.

The 570-acre Luttrellstown Castle Estate, six miles from Dublin on the banks of the River Liffey, with its romantic glen, stable yard and cottages, went on the market about three months ago at about £2.8m; it has attracted considerable interest from those wanting to keep the historic castle as a home, as well as inquiries from international organisations seeking a European base for conference or educational facilities.

"It needs another Luke White to continue the hospitable traditions of this remarkable place," comments Desmond Fitz-Gerald, Knight of Glin, Christie's representative in Ireland who are handling the sale of Luttrellstown's fine contents Monday to Wednesday 26-28 September.

Mr White was a self-made millionaire and Member of Parliament who bought the place around 1800, "to the great offence of all the aristocrats in Ireland," wrote the Lord Lieutenant's wife in 1803 after attending a breakfast party at the castle. "For great wealth does not get a man forward here as in London: the society is small and the individuals proud."

But even she had to admit, if rather patronisingly, that his "manners were particularly good," and his wife "a well-behaved little woman."

The estate is being sold by the Hon. Mrs Aileen Plunkett, who was given it as a wedding present in 1930 by her father, the Hon. Ernest Guinness. With designer Felix Harbord, she transformed the castle into a fairy-tale place, much visited by royalty and heads of state.

The background of the original notorious Luttrell family once referred to as "black with such horrid deeds" is in the contents sales catalogue. £15 post paid from Christie's, 8 King Street, London, SW1. The library section is £5.

Serious inquirers can get a free illustrated brochure on Luttrellstown (on which Hamilton and Hamilton are joint agents), with particulars of four other Irish properties, all with stabling, from Antony Wardell, Knight Frank and Rutley, 20, Hanover Square, W.1.

In Sussex, Mark Monkhouse, King and Chasemore, Pulborough, is seeking offers in the region of £375,000 for Butterstocks Stud, Shipley, near Horsham. It currently "stands" two syndicated stallions, Treboro and Windjammer.

The market for agricultural land and stud farms in Ireland is improving after the slump conditions of the past few years, in spite of the troubles over the border. And Derrinstown, Kildare, was the first major estate to change hands since the abduction of Shergar earlier this year from the Ballymany Stud, also in Kildare.

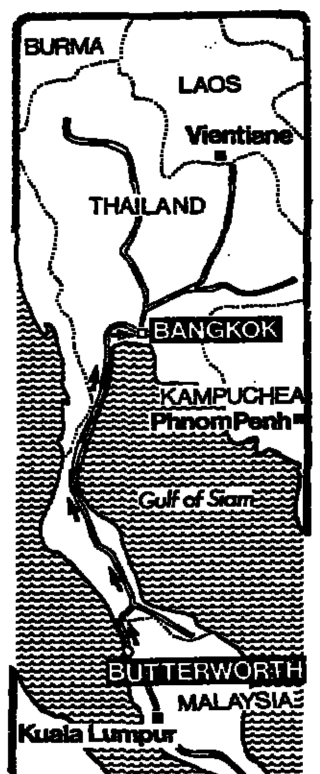
"There is currently a wide range of top-quality properties on the market," says Antony Wardell of Knight Frank and Rutley's Hanover Square, London, W.1. office. "And prices are realistic and cheap compared to England."

OVERSEAS PROPERTY

Bangkok's international express

TRAVEL

HAZEL DUFFY



MY FAMILY had persuaded me that Bangkok by rail would be a fitting conclusion to a holiday in Malaysia. I was reassured that Cook's Overseas timetable describes the Butterworth-Bangkok train as an "international express," although a journey time of 24 hours for a distance of 1,200 km aroused some suspicion as to the nature of the express.

Inquiries at the Malaysian Railways ticket booth on Penang pier, where the ferries depart for Butterworth, revealed that all "air-con" berths in first class were booked. Refusing to be put off, we agreed to "non air-con."

When we went to pick up the tickets two days before departure, we were told that the train coming down from Bangkok had not arrived, so there might not be a train going back up.

What had happened — bandits? This train used to be held up regularly a few years ago in southern Thailand, and passengers stripped of cameras, money, etc. But we had been assured that such attacks had ceased. An accident? Nobody seemed to know. Another expedition to the railway office the next day, however, produced the tickets.

At 7.00 am the next day, we watched the sun rise over the mainland. Stocked up with some food and canned drinks (the Malay railways clerk had assured us that there would be a dining car on the train, but warned us "you can only expect Siamese food"), our mini-epic rail journey was about to begin.

In Asia, one can never be sure that the product will turn out quite as expected. So it was with the only "non air-con" first class rail coach on the international express. Age indeterminate, it clearly had potential for an Orient Express-type re-fit but nobody had yet seen the potential.

Wood pannelling, ancient sanitaryware, and a lavatory which defied description. This, we reminded ourselves, is a working train and not a tourist escape, and we could not expect luxury for about £21 a head.

The train pulled out on time, and we marvelled at the intrusion into backyards and people's lives which the train permits. So much better than flying over it all, we told ourselves smugly.

We reached the border at about midday, an hour behind schedule. Immigration facilities were completed mercifully on the train, the temperature now well up into the 90s, and after an hour or so, we left the businesslike stations of Malaysia and the ordered plantations for the much poorer and less populated countryside of southern Thailand.

Time for a coffee in the dining car: purple tablecloths and flowers gave a good initial impression. Closer inspection revealed the chef preparing mounds of rice for lunch, the sweat pouring off him. Washing up facilities were confined to a bucket on the floor. Still, there was bottled beer and soft drinks on ice and the overhead fans battled unsuccessfully with the heat.

At Hat Yai, a few miles over the border where the east and west coast lines converge, several more coaches were shunted on to the train with bone-shaking jolts, and the 18-carriage train set out across the miles of paddy fields.

As the train never exceeds more than 35-40 mph, it is possible to observe the surroundings at leisure. Every stop at the neat Thai stations, *mostly unscheduled*, brought a procession of people walking along the platform, selling any number of delicacies from baskets on their heads.

Every now and again, the train applied a basic braking system which effectively destroys any anticipation of a peaceful night's sleep.

Dusk approached through the *craggy* limestone hills backing the paddy fields and small, dark, villages. The dining car fare awaited. We tripped over cardboard boxes which cluttered up the central aisle of the 2nd class coaches, and the pungent odour of the durian fruit pervades the air.

A few early nighters were cleaning their teeth, on show to all. By this time, the train swayed so much that balancing on a hot, sticky plastic covered seat in the dining car was a major achievement.

The tablecloths were looking a bit tattered by now, but the staff displayed a surprising placidity in the face of constant streams of passengers demanding food and refreshment. An assortment of ageing hippies enjoying Asia on the cheap joined the throng of Thais, Malays, Chinese and Indians hoping to get a meal.

The staff silently produced a menu, which could be summarised as rice, steamed or fried, with bits of chicken, and a fried egg on top. With a bottle of Thai beer, it tasted *surprisingly good, although the* crescendo of noise from within and without the train as it swallowed up the night made it a less than relaxing occasion.

Berths were being made up all along the train as we went back. By 10 pm most passengers had bedded down.

Half an hour later, the train came to a shattering halt. I assumed we had arrived at the station where we should have been an hour or so ago.

I was aware of the noisy fan in the compartment, the mosquitoes, and the heat in the lower bunk: but none of the earth-shattering jolts which I had expected would punctuate the night. How considerate of the Thai railway authorities to stay so long in one station!

Then I realised that sunlight was filtering through the shutter. The train had not moved all night. We were still less than half way to Bangkok, and the plane left that night.

Had the bandits struck again? Besieged railway officials reluctantly admitted that there had been an accident down the line (we now realised the reason for the unexplained delay two days earlier on the downward train — another derailment). "Thai railways not very good," an impeccable official conceded.

Meanwhile, the food sellers of Chumphou station were doing a roaring business at 6 am serving up coffee, rice, curry —anything one wanted.

An hour later, the train started moving again. A few miles down the track, we saw one coach of a local train which had careered off the track into the paddy field, followed by two coaches upturned on their sides.

We read later that at least eight people were killed, and many seriously injured.

The Butterworth-Bangkok express now tried to live up to its name, and we picked up a bit of speed. By mid-morning, the stalwart dining car staff, looking a little weary and strained, were serving up exactly the same food as last night, minus the fried eggs.

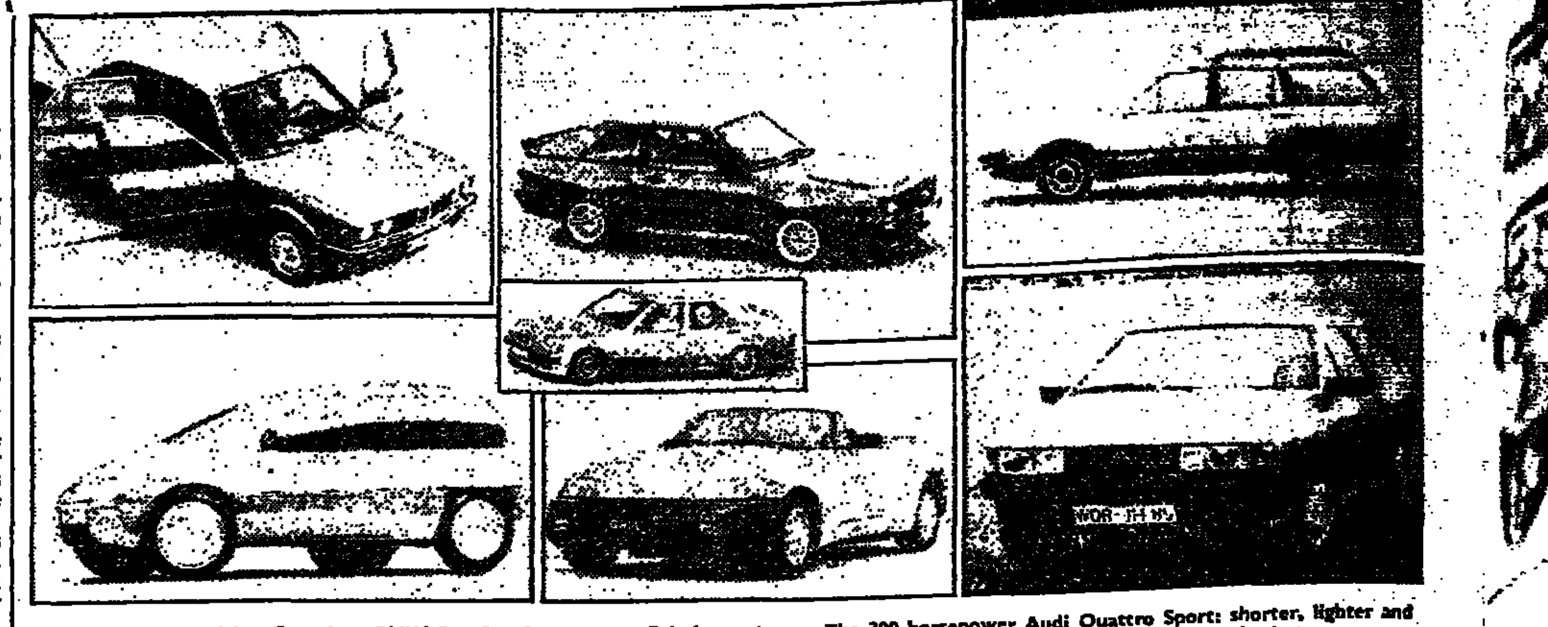
At least the beer was still flowing and one or two passengers were swigging half bottles of Thai whisky sensibly purchased the night before.

The day wound on, the food finally ran out, and by 3 p.m. *there was nothing left to drink.* The countryside was becoming more populated, then the South China Sea came into view.

The thought crossed my mind: they did not change the dining car staff. What about the driver?

No matter. At 5 p.m., 10 hours late, the international express was pulling through *Bangkok's* floating suburbs, where, truly, all human life is to be seen.

We arrived in Bangkok just as the evining monsoon was about to break. The train could be Thailand's greatest tourist asset, but thankfully it has not been seen as such yet.



Top row left to right—Four-door BMW 3-series: it comes to Britain next year. The 300 horsepower Audi Quattro Sport: shorter, lighter and even quicker. The Volkswagen Passat Estate with permanent four-wheel drive: made to measure for ski-ing enthusiasts
Centre inset—The 16 valve, 2.3 litre version of the Mercedes 190—over 30,000 miles at an average 155 mph
Bottom row left to right—Opel's slippery Junior; over 70 mpg—and seats that turn into sleeping bags. Ford's *Ghia* Barchetta fun car catching the spirit of the Frog Eyed Sprite? The VW Super Scirocco; 140 bhp, 16-valve engine and a 130 mph maximum speed

A mouth-watering German show

MOTORING

STUART MARSHALL

ANYONE who manages to visit every single stand at the Frankfurt Motor Show deserves a place in the Guinness Book of Records. It is a vast exhibition; if not the largest in the world, then certainly in Europe. Sixteen halls filled with everything from motor cars to urban mass transit systems, caravans to components, all within a short distance of the city centre. A stout heart and a strong pair of legs are essential for any Frankfurt motor show-goer.

All the world sends its cars and trucks to Frankfurt but it is, above all, the German motor industry's shop window. This year it has a mouth-watering collection of new models.

Mercedes-Benz have unveiled a high-performance version of the new compact car, the 190 E 2.3-16, fresh from breaking a basketful of speed records at the Nardo proving ground in Italy. It averaged 154.96 mph for 50,000 kilometres, powered by an enlarged, 16-valve derivative of the standard 2-litre engine, developed by the well-known British racing concern, Cosworth Engineering.

The appearance of the 190 E 2.3-16 and a 190 diesel coincides with the arrival of the compact car in Britain. It went on sale at prices from £9,658 for the carburetted 190, £10,640 for the 190 E with fuel injection. In both cases power steering and 5-speed manual gearbox are standard. I drove to Frankfurt in a 190 E automatic —more of this next week.

BMW's four-door 3-series, which might loosely be considered as their answer to the 190, is also on show at Frankfurt, though it will not reach Britain until early next year. When it does so, the range will include a model with everything—electric windows, central locking, cruise control, on-board computer, heated door mirrors and locks and anti-lock braking.

Also new from BMW for 1984 is the M635CSi, a four-seat coupé with a 286 hp engine, similar to that used in the former M1 sports-racing car. Capable of 155 mph, it will compete for custom among people who now buy Ferraris, *Aston Martins and Porsche* Turbos. The price has not been fixed. The German market gets it next spring, Britain not until 1985.

Completing the hat trick, BMW claim a world first for their "dual personality" transmission which is being fitted to the 735 and 732 saloons and the 635 coupé. A small switch on the console allows the driver to choose "E" for economy régime, in which the transmission gets into top as soon as possible; "S," which delays changes until higher revolutions; and a third positive gives *full manual* control of all four gears.

Not to be outdone, VW has on its stand a 300 bhp, shorter length 2+2 version of the all-wheel driven quattro coupé; a 130 mph Scirocco with 16-valve, 140 bhp engine; and a 115 hp, 113 mph Passat Estate with Quattro-style four-wheel drive. This Tetra Estate has a split rear seat and aerodynamic roof-rack; could there be a better car for the ski-ing enthusiast? All three new models go into production next year and will eventually be sold in Britain.

Two design studies attracting attention are on the Opel and Ford stands. Opel is presenting the Junior, a 1.2 litre engined, aerodynamically slippery minicar bristling with advanced features and claimed to be capable of just over 70 mpg at a steady 56 mph. The upholstery turns into sleeping bags in a trice, the radio-cassette player is removable for use outside the car, and the roof may be opaque plastic, fold-away canvas or clear glass. Opel says the Junior is to test public opinion, but it looks a lot more *practicable than some of the* one-off show-stealers that are never heard of again.

The Junior's drive-train is based on the Opel Corsa's (the Vauxhall Nova is the same car). Ford use Fiesta XR2 mechanicals in the Ghia Barchetta, which looks like a streamlined son of the Frog-Eyed Sprite above, though not under, the sheet steel. (Ford even says it was conceived in the spirit of traditional European sports cars of the '60s and '70.)

There are no plans to manufacture the Barchetta, which reminded me of a similar exercise based on Peugeot components displayed at a Turin Show of the mid-1970s.

Farewell to Long Ashton

GARDENING

ARTHUR HELLYER

A RECENT visit to the Long Ashton Research Station near Bristol confirmed my fears that the decision of the Agricultural Research Council to change its character and purpose is misguided. It seems unlikely to result in any significant economy and though much of the work is being transferred elsewhere there is no certainty that it will be continued with the same vigour and commitment as at Long Ashton.

The station was founded exactly 80 years ago by the fruit growers of the south-west as the National Fruit and Cider Institute and in 1912 it became the Department of Agriculture and Horticulture of the University of *Bristol*. It is this close association with commercial growers and academics which has determined its progress during the succeeding years and it is difficult to see how this dual stimulus can be maintained now that the partnership is to be broken.

An example of the way in which work at Long Ashton has been harnessed to south-western interests is the big strawberry breeding programme started in 1965 primarily to raise early ripening varieties for the Cheddar and Tamar Valley strawberry growers. Since then hundreds of thousands of seedlings have been raised and the best meticulously evaluated but only now, after 18 years of work, is the first fully-approved variety ready for distribution. Named Providence after the hill to the north of Long Ashton, it is a heavy cropping strawberry with firm fruits that travel well and do not deteriorate quickly. This will please the supermarkets.

In recent years the growers' demand for early strawberries has declined dramatically because Italian and French competition has depressed prices to the point of making June strawberries unprofitable. Instead British growers are looking for strawberries in August when there is an excellent holiday market, no foreign competition and even the prospect of exporting strawberries to southern Europe where the climate is too hot for August strawberries. Good progress was being made earlier this summer and I saw a large field of new seedlings under trial all looking, to my untrained eye, fine plants bearing excellent crops though I was told that only about one in 100 would be retained for further trials.

There are, of course, already so-called perpetual or remontant strawberries such as Gento and Hampshire Maid which fruit late but they do not crop sufficiently heavily nor are their fruits of sufficient size to suit the highly competitive strawberry trade. Size of fruit has become increasingly important as labour costs have escalated since it takes just as long to pick a small strawberry as a large one. American growers already have very large fruited varieties but they are not suitable for our climate so the best of them are being bred with the most promising English varieties. There is also demand from food processors for strawberries that will freeze well and this is another top priority in the Long Ashton breeding programme.

Now it is all to be transferred to East Malling in Kent with the three experts who have been master minding the breeding programme but without all the expensive capital equipment of special glasshouses and frames which cannot be moved. *No doubt new equipment will* be provided at East Malling but it seems a queer way to save money and in any case the stimulus of close proximity to big strawberry growing areas will be lost.

Perhaps of less immediate commercial importance but nevertheless of considerable long-term interest is the plum breeding programme started at Long Ashton in 1965. Most existing varieties are over a century old and Merryweather Damson, introduced in 1928, is the most recent to be of commercial importance. What is now required are very large fruited plums to match foreign competition. They must be red or blue, since there is little consumer demand for green or yellow plums, and they must crop heavily and regularly. That is quite a tall order and there is a long way to go but progress is being made. Plum *trees, being much larger and* more permanent plants than strawberries, are considerably more difficult to move from one breeding place to another but that is what will have to be done since there will soon be no room for plums in a reorganised Long Ashton Research Station which must now learn to deal with arable crops.

Of considerable interest to private gardeners are the large scale experiments in apple pollination. Primarily these have been aimed at enabling fruit growers to plant single variety orchards without need for a second, less profitable, apple as pollinator. Selected crab apples used at only 5 per cent of the total number of trees have proved highly *successful, four of the most success*ful being Golden Hornet, Aldenhamensis, Hillieri and Winter Gold which flowers early. The first three are much planted in gardens as ornamental trees and so, where they exist, it would seem unnecessary to look any further for pollinators for fruiting apples.

Finally there is a little publicised investigation at Long Ashton which has nothing to do with fruit. It concerns the variations which occur in nursery stocks of ornamental trees and shrub varieties bearing the same names. This happens even when stocks are increased vegetatively by cuttings, layers or grafting. With the active *co-operation of nurserymen, stocks* of many popular plants have been obtained from as many sources as possible and grown side by side. The best form of each variety has been identified, propagated and redistributed to the nurserymen for use as mother stock. I understand that this work is also to go to East Malling. I hope it will be as energetically pursued there as it has been at Long Ashton.

CHESS

LEONARD BARDEN

GARY KASPAROV, the 20-year-old rising star of international chess, has made his own contribution to the debate over his disputed world title semi-final against Viktor Korchnoi. Kasparov told journalists at the start of this month's tournament in Yugoslavia "I want to play!" and proceeded to demolish an illustrious field which included three former world champions.

He was already sure of first prize before Tuesday's final round in which his nearest rival Larsen had the bye. Scores at Niksic were Kasparov 11 out 13, Larsen 9, Portisch 7½, Spassky 8, Anderson and Miles 7½, Tal and Timman 7, Ljubojevic and Seirawan 6½, Gligoric and Petrosian 6, Nikolic 5½, Sax 5, Ivanovic 4½.

During the tournament all Kasparov's fellow-competitors signed a petition to FIDE, the International Chess Federation, asking that the Kasparov-Korchnoi match should be played. Meanwhile FIDE efforts to arrange a final between Ribli and Korchnoi, who in official eyes were victors by default, fizzled out when the Hungarian authorities confiscated Ribli's passport. FIDE's Austrian vice-president Dr Dorazil made a well-publicised visit to Moscow and announced, in contradiction to FIDE policy, that Austria was willing to host at least one of the disputed semi-finals.

Behind-the-scenes diplomacy continued with England's FIDE delegate, Ray Keene, journeying to Moscow and Niksic as a *mediator*. At last report FIDE President Campomanes was in Budapest talking to the Hungarians and Ribli amid still stronger rumours that the matches would be rescheduled. All looks set for a FIDE climbdown. The unfortunate Pasadena organisers, who planned to stage the Korchnoi-Kasparov series as a spectacle alongside the U.S. Open, are left nursing heavy financial losses with only the dubious remedy of sueing FIDE and the Russians in world courts.

On the chessboard Kasparov has amply proved his point. His Niksic result bears comparison with the greatest tournament achievements such as Fischer's at the 1970 interzonal and Alekhine's at San Remo 1930. He began with 6½ out of 7 and could afford to relax in the second half of the event; his net gain in FIDE rating points should be enough to put him at the top of the rankings ahead of world champion Karpov. *Here Kasparov's favourite open*ing move (5 P-QR3 against the Queen's Indian) scores again; it is a mystery why so many opponents still allow him to play it.

White: G. Kasparov (USSR). Black: L. Portisch (Hungary). Queen's Indian Defence (Niksic 1983).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-QN3; 4 N-B3, B-N2; 5 P-QR3, P-Q4; 6 PxP, NxP.

6 . . . PxP restricts Black's bishop but has given better practical results than the knight capture; alternatively if you are playing Kasparov it makes sense to avoid his system altogether by 3 . . . B-N5 ch or 4 . . . B-N5.

7 P-K3, NxN; 8 PxN, B-K2; 9 B-N5 ch, P-B3; 10 B-Q3, P-QB4; 11 O-O, N-B3; 12 B-N2, R-QB1; 13 Q-K2, O-O; 14 QR-Q1. With a few transpositions, we have arrived at a position from Batsford Chess Openings (co-author Kasparov!) analysed as favourable for White. His master plan is simple: open up the centre by P-Q5, use the bishop pair to demolish the black king's defences. In this game it all happens elegantly with a *double sacrifice and a king hunt* which chases the unfortunate Hungarian monarch right down the board.

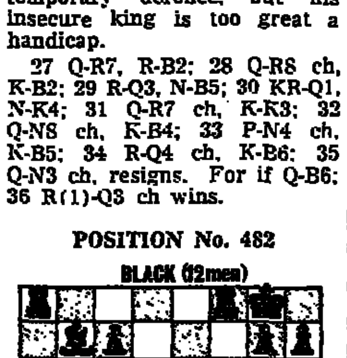
14 . . . Q-B2; 15 P-B4, PxP; 16 PxP, N-R4; 17 P-Q5! PxP; 18 PxP, BxQP; 19 BxP ch, KxB; 20 RxB, K-N1; 21 BxP! KxB; 22 N-K5, KR-Q1; 23 Q-N4 ch, K-B1; 24 Q-B5, P-B3; 25 N-Q7 ch, RxN; 26 RxR, Q-B4.

By returning some material, Black has constructed a temporary defence, but his insecure king is too great a handicap.

27 Q-R7, R-B2; 28 Q-R8 ch, K-B2; 29 R-Q3, N-B5; 30 KR-Q1, N-K4; 31 Q-R7 ch, K-K3; 32 Q-N8 ch, K-B4; 33 P-N4 ch, K-B5; 34 R-Q4 ch, K-B6; 35 Q-N3 ch, resigns. For if Q-B6; 36 R(1)-Q3 ch wins.

POSITION No. 482

BLACK (12men)

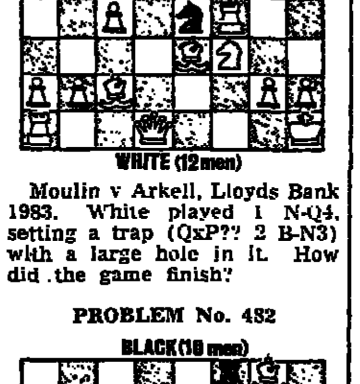


WHITE (12men)

Moulin v Arkell, Lloyds Bank 1983. White played 1 N-Q4, setting a trap (QxP?? 2 B-N3) with a large hole in it. How did the game finish?

PROBLEM No. 482

BLACK (10 men)



WHITE (6 men)

White mates in two moves, against any defence (by J. T. Breuer, Stern 1978). The solution depends on spotting a type of chess move which is always hard to visualise.

Solutions Page 14

BRIDGE

E. P. C. COTTER

TO BID A SLAM in one suit and find that it is unmakeable, when a slam in another suit is on ice, spells disaster. But in match-pointed pairs it may be equally disastrous to bid a makeable slam in the wrong suit. Study what happened in an important pairs event some years ago, when West dealt this hand at a love score.

N
♠ A K 4 2
♡ A J 10 4
◇ A K Q 4 3
♣ —

W
♠ Q 10 8 5
♡ Q 8 5
◇ 9
♣ A J 10 9 4

E
♠ 7 3
♡ 9 3
◇ 10 8 7
♣ K Q 8 6 3 2

S
♠ J 9 6
♡ K 7 6 2
◇ J 6 5 2
♣ 7 5

Most North-South pairs reached six diamonds, a contract which depended on making the right guess in hearts, but at one table the bidding went as follows: North opened the bidding with two clubs, received a negative response of two diamonds, and rebid three diamonds, to which South replied with a temporising bid of three hearts. The opener now said three spades, South jumped to five diamonds, and North's raise to six hearts concluded the auction.

West led the Ace of clubs, which was ruffed with dummy's low heart, and the declarer cashed Ace and King of hearts, and then ruffed his other losing club with dummy's last trump. The diamond winners were played out, and West was left to take his trump trick when it suited him. That was the only trick for the defence, for one *of the declarer's* spades was discarded on the fifth diamond, and the rest of his hand was good.

If South plays in six diamonds, he ruffs the opening club lead, draws three rounds of trumps, and if he cashes the heart King and finesses against West for the Queen, he makes the slam, but it is far inferior to six hearts. The major suit slam requires only the 3-2 break of trumps, but six diamonds depends upon a successful heart finesse.

A week or two ago this turned up at duplicate pairs:

N
♠ Q 10 7 3
♡ A
◇ A J 6 3
♣ K 8 5 4

W
♠ 9 6 4
♡ K 9 4
◇ 10 9 2
♣ 10 9 7 2

E
♠ 8 5 2
♡ 10 7 6 5 3
◇ Q 8
♣ J 6 3

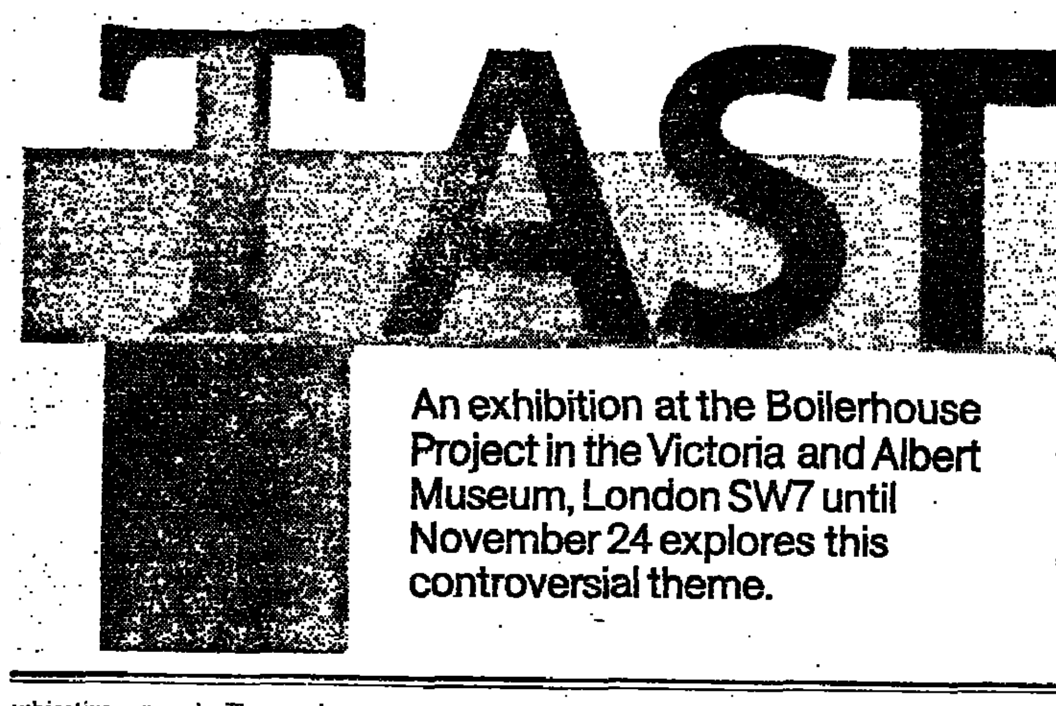
S
♠ A K J
♡ Q J 8 2
◇ K 7 5 4
♣ A Q

With neither side vulnerable I dealt in the South seat and bid two no trumps, which my partner raised to six no trumps. This response cannot be condemned out of hand because of the match point scoring, but at rubber bridge North should respond with a Baron three clubs, to ask for four-card suits to be bid in ascending order. I rebid three diamonds—showing four diamonds, not denying a four-card major—North says three spades, and I say three no trumps. Now North raises to six diamonds, which is a far safer contract. In fact, if declarer cashes Ace, King of diamonds, he takes all the tricks.

The no trump slam needs more planning. West's club two ran to East's Knave and my Ace. The best continuation is to cash four spade tricks, throwing a diamond from hand. West and East will each discard a heart. The heart Ace is cashed. South comes to hand via the club Queen, and plays the heart Queen, throwing a diamond from the table. West wins and returns the club ten. The King wins, and declarer crosses to his diamond King, and cashes the heart Knave. On this West is forced to part with a diamond, and all is revealed. West is known to have started with three spades, three hearts, three diamonds, and four clubs. So the diamond Queen must fall on the Ace from one side or the other.

HOW TO SPEND IT

by Lucia van der Post



● No prizes for surmising that Stephen Bayley relegates this embroidered elk hoof firmly to the dustbin of bad taste. An arch example of what he would refer to as kitsch, he points out in his caption how it illustrates the folly of chasing an effect too hard as the result is so often so perverse. Probably made by Canadian Indians in the second half of the 19th century they now form part of Bethnall Green's Animal Product's collection. In case you are wondering if it had a purpose the answer is yes—to be used as a newspaper holder.

TASTE IS as tricky a subject as class and money. It can break up friendships as effortlessly as pets or children. Marriages have even been known to founder over the choice of cut-glass or plain, patterned carpet or Habitat jute. Stephen Bayley, director of the Boilerhouse Project at the Victoria and Albert Museum, bravely confronts all these problems head-on in the latest exhibition which he calls simply "Taste."

He admits right from the start that the whole point of the exhibition is that it is controversial. It is meant to provoke, to cause one to think, question, criticise, re-evaluate. It isn't meant to establish a whole set of certainties which the insecure or confused (in matters of taste, that is) can swallow wholesale.

Taste, as he points out, is fundamentally a question of choice. It is behind every buying decision we ever make.

But what constitutes good taste is both more complex and less quantifiable than what constitutes good design.

Good design can be approached in an almost rational way. As the catalogue puts it, "pure design decisions may be broken down to questions of function or finance. Taste derives its force from data that are a part of culture rather than pure science." In other words, if a product does the job it is meant to do, efficiently and economically, then there is no question that it is well-designed. But when it comes to deciding whether something is in good or bad taste we are on much more subjective ground. The guidelines seem to hover on the horizon like a mirage, vanishing just as one thinks one is closing in on them.

It is in some ways a confusing exhibition especially as it is never made entirely clear whether the decision to assign an object to a plinth (the mark of approval) or a dustbin (yes, you've got it, the sign of disapproval) has been made by the historical authorities often quoted or by Stephen Bayley himself.

On the other hand it is immensely stimulating. I found the historical perspective alone, even though I was familiar with much of it, very illuminating. It summarises our graphic past in a way that almost everybody (if they can decipher the captions) will understand and in a way that prepares the viewer for the area where he is invited to make up his own mind about what good or bad taste actually is.

Most of us are reasonably convinced that we ourselves possess excellent taste—it is the other chap whose taste is bad—and this exhibition manages to puncture our smugness, to make us realise just how subject we are to the prevailing winds of fashion, clique and dimly perceived social pressures.

If you are left wondering after all this if there is any straw in the wind to grasp at, Stephen Bayley manages to rescue some certainties from the survey. After all his musing on the subject he came to the conclusion that there were a few objective criteria that survive the years, the changes in fashion and direction. "Although the actual style of any object might differ from age to age, those which are most admired by successive generations have certain qualities in common:

● an intelligibility in their form, so that you can understand their purpose

● a coherence and harmony between the form and the details

● an appropriate choice of materials to the function

● an intelligent equation between construction and purpose so that the available technology is exploited to the full.

Test these criteria against certain products and you can see why a Raleigh safety bicycle is timeless and why a 1957 Cadillac is dated."

From there Stephen Bayley brings together the strands that link good taste with good design. In his view "the principles of design are, in fact the Rules of Taste. An understanding of Taste is a necessary part of any successful design and if it means anything at all it means something that can be put into one word . . . Taste is the same as manners."

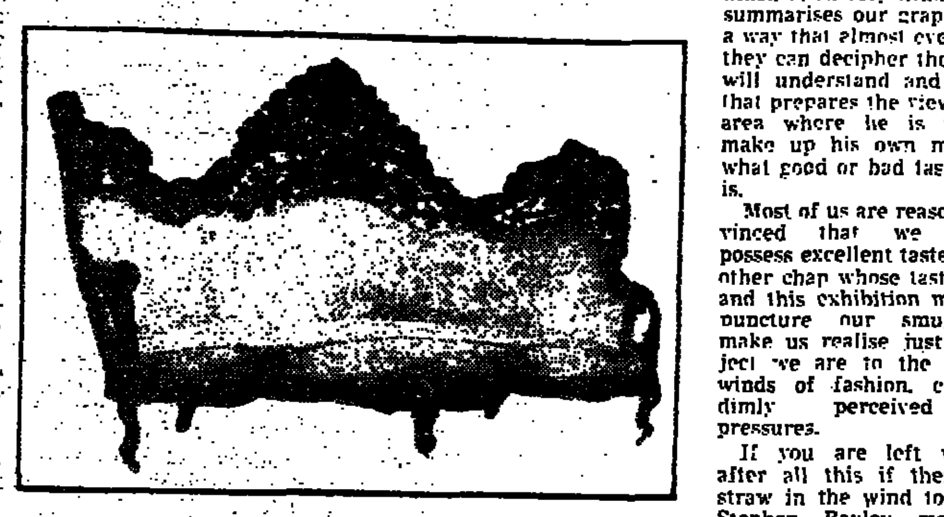
These last quotations come, in fact, from the excellent paperback called Taste which consists of Stephen Bayley's own musings as well as an anthology of writing on the subject, ranging from Henry Morley's Houseful of Horrors to a wonderfully provocative piece (which certainly scored a lot of bulls-eyes in this office) by Glyn Boyd Harte on The Tyranny of Taste. At £2.50 it is amusing and illuminating reading for anybody interested in the subject.

Finally, don't miss the last section of all, where each week somebody "with a point of view" is asked to make a personal selection of examples of good and bad taste.

Kicking off the section is Patrick Uden, ex-BBC, currently managing director of Uden Associates, a company making films and video commercials. He rates as "good"—the BIC disposable razor, the VHS video cassette (designed like a paperback to seem familiar and to fit neatly into storage systems), Dust-Off Aerosol, Brames Double Action Oil Can (in his view oil cans are some of the most beautiful products of the late industrial revolution—perfectly functional like classical earthenware pots) and the Pentax camera.

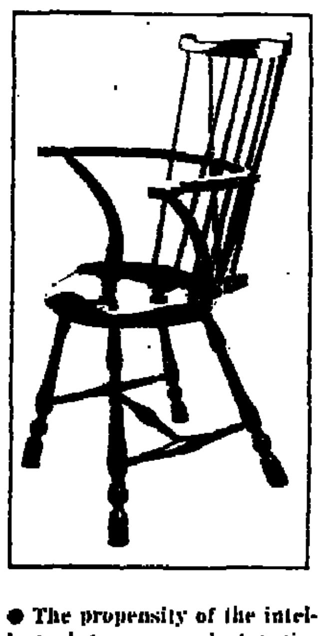
Categorised as Bad are—a hand-thrown pot ("useless, survives on the whimsical notion of hand-made and the purchaser chooses it on the historical concepts of "craft" and "real work." It is hard to know what it is meant for"), British Airways logo ("smacks of toy town with its Enid Blyton lettering and blimpish colour scheme"), Gucci shoes ("concocted, antiqued leather, status rank badges yet built no better than sneakers").

Among the contributors will be The Royal Household, Richard Seifert, Roy Strong and possibly Terry Farrell (the post-modernist architect who designed the new TV-am building)—I say, possibly, because he had agreed to contribute but since the opening and the discovery that his model of the TV-am building was balanced half on a plinth and half on a dustbin and had been consigned, along with other post-modernist buildings, to the world of kitsch there has been what might be called a dust-up. The model was forcibly removed and a large blown-up photograph of it will now have to do. Tender flowers these designers. I said at the beginning that Stephen Bayley was brave



● More bad taste and this time it took something like 12 dustbins to hold this rococo-like sofa in all its awfulness. It is the work of one Johann Heinrich Belter who started working on the same lines as Michael Thonet (he who devised the exquisitely simple Bentwood chairs still used and admired all over the world) but, as you can see, he ended up expressing a very different aesthetic ethos, where excessive ornamentation almost overwhelms the form. A true star in the galaxy of bad taste.

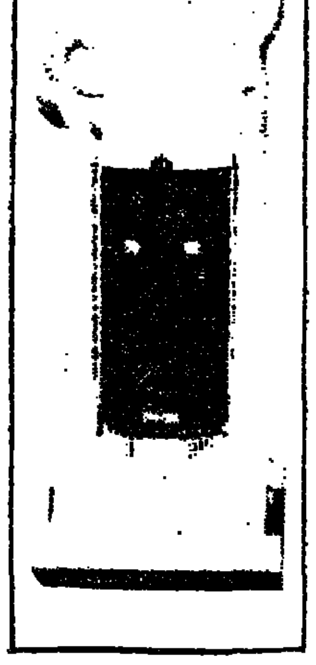
● These Coalport cottages may seem less obvious candidates for the dustbin treatment but, according to Stephen Bayley, it is the taste for kitsch that keeps these in production. They are finely modelled and hand-enamelled bone china reproductions of 18th century pastille burners but he guesses that few of those who buy them today realise that. There are some 50 models in the collection of which the three illustrated above are, from left to right, the Blue House, Clock Tower and Dower House.

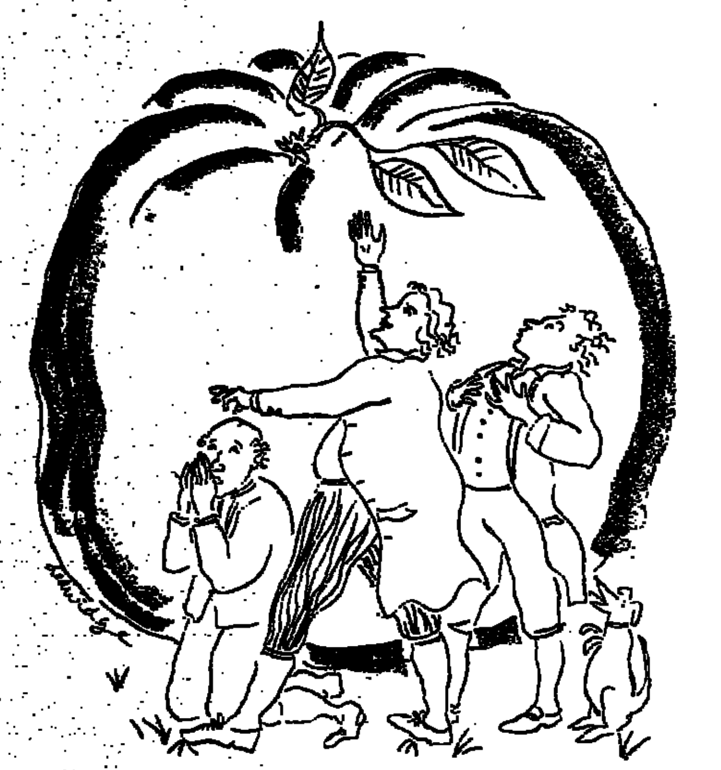


● The propensity of the intellectual to run against mainstream taste seems to be nothing if not consistent. The caption to this simple Windsor chair—needless to say it is mounted upon the plinth of Good Taste at the exhibition—tells us that just as Hepplewhite's refined and sophisticated designs were being recognised by a wider public so among the intellectuals arose a new taste for the vernacular of which this Windsor chair was a perfect example. Besides being an eminently charming design it did help to challenge the accepted classical values and introduce an element of variety into the existing notions of 'good taste.'

Photographed below is what you may be forgiven for not immediately recognising as a vacuum cleaner—were it possible to show it in all its amazing pink and purple you would be even less likely to recognise it as such. It is shown in the exhibition in the area reserved for current products, some of conventional, some of radical design, where visitors are invited to form their own judgment about objects.
It is a brand-new model straight from the pad of James Dyson and the first domestic product on the market that seems to show the influence of the Memphis school.

Borrowing the colourings of popular imagery, it could never be accused of looking restrained or bearing any resemblance to classic design principles. Instead it seems, like much of Memphis's output, to cock a snook at established ideas of what a vacuum cleaner should look like. I think it looks wonderful and I'm also told it works like a dream. Those who want to be the first with a pink and lilac vacuum cleaner in their homes should write to the company which is distributing it in Britain: Kleeneze Rotork, Hanham, Bristol.





COOKERY/JULIE HAMILTON

Greens means variety

DESPITE the appallingly wet start to this summer, which seriously hampered normal growth in the vegetable garden, I seem now to have the best possible crop of whatever I did manage to put into the ground.

My potatoes are enormous, my carrots are large and sweet, my cabbages, beetroot, cauliflowers and calabrese are fantastic. French beans are already crowding the freezer, the cucumbers have taken over altogether in the greenhouse while my ridge variety outside are climbing up and over the sprouts and fast heading for the fruit cage.

My courgettes seem to resemble marrows overnight. Leeks and onions are there in abundance too. The grapevine has covered the roof of a not-so-nearby hothouse and is creeping into the cattery. It is so heavily laden with small black grapes that I am at a loss to know what to do with them, not being a home-made wine enthusiast. So I eat them each time I pass the vine.

The spinach is more succulent and prolific, the tomatoes more plentiful, even though the skins are rather tough, than ever before. My basil has blocked out the light from the kitchen and mint, marjoram, thyme, parsley, fennel, bergamot, rosemary, sage, chives and lemon thyme are clammering to get inside my back door.

All this abundance has led me to think of new ways of dealing with such familiar produce. Here are some of the best of my discoveries.

SUMMER SPINACH

This dish takes on the flavour of the herb used and is best served cold. If you do not have fresh basil you could use almost any fresh soft-leaved herb, but basil is best.

A washing-up bowl full of freshly picked spinach; a big handful of fresh basil; approx. 6 oz yogurt; 1 large egg; 1 teaspoon Parmesan cheese; juice of 1 lemon; generous sprinkling of allspice; salt, pepper and pinch of paprika.

Blanche the whole spinach in plenty of fast boiling water for a few minutes, then drain, refresh under cold water and squeeze out all the liquid you can with your hands. It is important to do this thoroughly. Chop the spinach and its stalks finely (a food processor will do this) but take care not to purée it. Lightly grease a shallow ovenproof dish, tip the spinach in, season it with salt, pepper, lemon juice and allspice. Scissor the basil all over the top and gently press it into the surface of the spinach. Combine the egg and yogurt and tip over the top to cover everything completely.

Sprinkle the Parmesan over and bake in a hot oven, gas mark 7 or 8 (425/450F) until the yogurt mixture has set — it does not need to brown. Decorate with a pinch of paprika and leave to get cold. If the spinach appears to have produced lots of liquid, fear not, because as the dish cools so the liquid is re-absorbed.

SWEET AND SPICED ONIONS

I had lots of small, round white onions which I used in this dish first of all. Then, as it became so popular, I used shallots, pickling onions and any small-sized variety I could find. The list of ingredients, because of its length, may look formidable and put you off attempting this delicious recipe but if you study it you will see that you can easily leave out several items or even improvise with whatever you happen to have. So please do not be put off. As this dish keeps well for several days and takes a while to prepare I am giving ingredients for a large quantity, ideal for a big dinner party and then some over.

4 lbs small (pickling size) onions; 2 tablespoons olive oil; 3 generous tablespoons honey; 1 heaped teaspoon fresh ginger finely grated; 6 tablespoons wine vinegar; 6 tablespoons red Chianti wine; 1 tablespoon apricot jam; 6 cloves; 1 bay leaf; 6 cardamons, broken open; ½ teaspoon ground allspice; 3 or 4 whole allspice; 1 teaspoon green peppercorns; 1 generous teaspoon salt; 1 teaspoon soy sauce; 2 or 3 tablespoons water.

Plunge the untrimmed whole onions in boiling water and boil for about four or five minutes. Refresh under cold water. Carefully trim off the outer skins, combine all the other ingredients in a braising or sautéing pan and bring to boiling point, add the onions and cook, not too fast, until the sauce reduces and thickens slightly so that it becomes syrupy. Allow to cool completely before serving.

COURGETTES AND TOMATOES

Should you happen to have quantities of tomatoes not quite good enough for using in a salad, here is an effortless way to turn them into a useful sauce.

Roughly quarter as many tomatoes as you can and squash them into an earthenware casserole. Roughly cut up a lot of garlic (no need to peel it) and add it. Pour over a spoonful of olive oil, add, if you like, a few peppercorns and some sprigs of marjoram and place the covered casserole in the oven at whatever temperature is convenient, depending on what else you happen to be cooking. It does not matter if you cook hot and fast or cool and slow. When the tomatoes are quite disintegrated push the whole lot through a Mouli, using a fairly fine disc.

Tip into a saucepan, season with anchovy essence or salt and reduce by fast boiling to the consistency required. Tip into an airtight jar, cover the tomato sauce with a layer of olive oil and this way it will keep in the 'fridge for quite a while.

OVERGROWN COURGETTES

This dish can be eaten hot or cold, but I really think it is best cold. It can even be cut into small pieces and eaten in your fingers with a drink, depending on how much filling you use and how large your courgettes are. All you need is some tomato sauce (as described above), a tin or two of anchovy fillets and some overgrown courgettes (normal ones are, of course, just as good).

Slice the courgettes in half lengthwise and, with a teaspoon, scoop out the soft seed bed and pulp. Sprinkle salt over the cut area generously and leave for at least half an hour or more. Rinse off salt under the cold tap and dry well. Fill each cavity with the tomato sauce and lay an anchovy fillet or two on top. Place in a shallow baking dish and bake uncovered in a hot oven until the courgettes are tender. When cold it is possible to slice them across to make manageable portions.

ANOTHER WAY WITH COURGETTES

If you have a food processor, use the chipper disc to cut up the courgettes which you have de-seeded. If you do not, simply cut the courgettes into chip-size chunks, place in a colander and sprinkle salt over, leaving for half an hour. Finely slice an onion or two and a couple of small, fresh chillis. Over a low heat gently sauté the onions and chillis in very little oil. Rinse and well dry the courgettes and add them to the onions with some lemon juice and pepper. Sauté until well heated through and beginning to soften, then add a bunch of well chopped parsley. Stirring frequently, continue to cook briefly.

Dry fry some sesame seed until it is golden brown and, just before serving, fold it into the courgettes, adding just a little salt. Serve hot with yoghurt or sour cream as a generous garnish.

CAULIFLOWER

What could be more simple and delicate than this way with cauliflower, so often the dreariest of vegetables? Place a head of cauliflower, either whole or broken into florets, on a bed of fresh mint in a colander, cover it with more mint and a lid or plate that fits over the colander. Place it over fast boiling water and steam it until tender but still with a bite. Remove it to a warm serving dish, discarding the mint, season and pour fresh lemon juice over. A dollop of yoghurt on top is also good — or butter, of course.

Ariadne on Naxos

BY MAX LOPPERT

The latest English National attempt at *Ariadne*, no more successful than the company's last, prompts a single question: why persist with Strauss's opera, in a theatre *far too large for it*, when on this showing the ENO cannot muster a cast, conductor, or production team to do it any justice? Even the playing of the whole work on a platform surrounded by acres of empty stage space could be deemed, given so much that was wrong with the performance, a final exemplar of the pointlessness of the whole exercise.

The producer, Graham Vick, has made play in the press about budget-consciousness as a stimulus to imagination. It was not the skimpy look of the stage one minded—the Prologue given before a single screen and a bustle of tables and chairs, the opera gradually opening out the area towards the back—but the messiness of stage style, and the immature grasp of the work which it betokened.

Eighteenth-century manners in the first part, applied with heavy doses of knockabout farce (the prelude accompanies a game of musical chairs), give way in the second to a jumble of decor (designer: Russell Craig) and of stage deportment that makes for severe indigestion. The nymphs, bald and whey-faced in their shiny make-up, somnambulate about, one with an Ariadne doll in hand. The harlequinade, which must be one of the least diverting this opera has ever seen, occupies itself with incomprehensible mime routines. When Bacchus arrives, he strips off a golden cloak to reveal a muscular torso and Bermuda shorts—one wondered for a moment whether he was about to engage Ariadne in a round of bare-knuckle fisticuffs. The rich mixture of stylistic contrasts already contrived by composer and librettist is obliterated in jejune effects-making: it seems to me that Mr Vick has no real imaginative understanding of the work whatsoever.

Certainly, the wonderful interplay between the postulated roles of Reality and Art that can emerge when all the roles are played as real, sentient characters was very little in evidence. The Prologue goes a little better in this respect because at least it is peopled with a handful of experienced performers — Norman Bailey's Music Master strikes the right note at once. Sally Burgess (Composer as in the previous ENO *Ariadne*) makes something coltishly vulnerable of the part. Donald Sinden's Major Domo, wigged and gowned like a Molière grandee, gives a brilliant display of Foppingtonian excess, with consonants disdainfully spat out to reach the theatre's highest tiers. But against this one invokes a long list of treasured moments reduced here to careless mediocrity; and in the Opera, led by a willing but awkward Ariadne and a Dutch Bacchus impressive to look at (if you believe the young god ought to come on as Robinson Crusoe) but mostly impossible to understand, the whole point and purpose of the work disappear almost beyond recovery.

Donald Sinden

Good singing might have helped, but there is little of that on offer. Janice Cairns, a hard-working Ariadne, lacks vocal expansiveness and lustre, particularly in the all-important upper octave: Marilyn Hill Smith sings as clearly and prances as busily as ever, but her Zerbinetta also misfired on high—what with Miss Burgess's moments of strain it was altogether not a happy evening for soprano top-note fanciers. The nymph trio, whose final contribution to "Töne, töne" comes over loudspeakers, is taken by Anne Dawson, Linda McLeod, and Helen Lawson—better individually than as a team. Alan Opie has far more in him of Harlequin than he was permitted to realise. Jan Blinkhof, the Bacchus, discloses at full stretch a forcible, quite stirring dramatic tenor, School of Del Monaco; fine details of pitch, dynamics, and phrasing are evidently not his strong point. (He has not been told how to pronounce "Circe" in English.)

Even with the eye and ear thus disadvantaged, the music could still have given a degree of pleasure had it been conducted with a firm, knowing, sympathetic hand. Walter Weller (ENO debut) is on this evidence an opera conductor of little natural apptitude. The orchestral playing was tidy enough in rendering the notes, but because of serious deficiencies in rhythmic delineation, tempo choice, and the shaping of whole movements, it sounded puny and blurred. Mr Weller evinced even less skill at supporting the singers, especially those so clearly in need of it; the Opera—all of it, not just the usual final 20 minutes—was dragged out to intolerable dullness.

Keeping the rules

Last Sunday Radio 3, in the interval of a concert by the Israel Philharmonic, gave a talk by Jeffrey Richards called *Tomorrow—the World*. It began, as its title suggests, with some remarks on censorship under the Nazis. In his drive for *Gleichschaltung*, Hitler's Minister for Popular Enlightenment and Propaganda, Dr Josef Goebbels, took particular interest in films, and in 1936 the state took over complete responsibility for the industry. It didn't produce many films itself: but an official, the Reichsdramaturg, approved all scripts, and the Film Credit Bank financed only the right projects.

Straight propaganda was restricted to news films, but even in comedies and romances there had to be a touch of nationalism, elitism or racialism. "When a film is obviously used for propaganda, it is largely ineffective," it was said in 1937. "It is when it is used for entertainment, then you get the most subtle of all propaganda."

RADIO

B. A. YOUNG

These remarks, as it happens, weren't made by Goebbels but by Oliver Stanley, President of the Board of Trade in the British Government. In the 1930s, propaganda was as rife in our films as the Germans', and few who lived through the 1930s would deny that this was proper. Edward Shortt, President of the British Board of Film Censors, believed his duty was to "shape opinion." There was pre-censorship of scripts, as many as 30 per cent of them. True, most of the BBFC rules concerned morality, but national pride and allegiance were there.

Nowadays the films, despite the censors (which they invented themselves), have done much to keep up with current opinion. Where state control is more evident is in broadcasting. Both radio and television must keep to the rules laid down by the BBC and the IBA. We've come a long way since 1928, when the ban was lifted on broadcasts of any political, industrial or religious controversy; but how will we seem to our children in 20 years?

Will it seem right to them that political extremists have no access to the air? Will the requirement to make space for a religious slot still appear logical? Will not the carefully-preserved lack of official leaning to one side or another look as bourgeois and colourless as the strictly-censored theatre under the Lord Chamberlain?

Even that model of impartiality, Sir Robin Day, once stood as a Liberal candidate in an election; yet whatever his views now, he must not air them to the World at One. We have had some new voices calling the World this week. John Sergeant had Sunday's stint, and did far from well in his contest with Dr Owen on the telephone. On the other hand, Nick Ross, whom I much admire when I catch him on television before breakfast, was admirable on Monday, when he was apparently standing in for Brian Widlake, if we may believe the Radio Times.

And we'd better believe it. It's been running now for 60 years, and this week has a 12-page editorial supplement to remind us, for instance of the Beethoven Number in 1927, of Lord Reith's personal announcement of King George V's death, of T. S. Eliot reading "Ash Wednesday," ofthe two different television systems broadcasting on alternate weeks in 1936. Two whole pages of letters remind us why the BBC is as it is; though none of them gives the faintest hint that in 1983 easily the greatest number of listeners listen only to Radio 1.

There was a fascinating talk on Radio 4 on Saturday about H. P. Lovecraft, writer of horror stories in *Weird Tales*. Lovecraft sounds like a character from a story by Edgar Allen Poe, and indeed he worked at it. Poe was his earliest reading (at about five years old), from which he graduated to more serious books about ghosts and mysteries of all kinds. So far back did he take his investigations that he used to date his letters two centuries back. He also decided that he was English, a dubious compliment. His mother kept the neighbours away with tales of weird creatures that haunted the neighbourhood, and she told her poor son that he was so ugly that if he went out people would laugh at him.

Not surprisingly he stayed home and decided to be a "gentleman amateur." By chance, he had a story accepted by *Weird Tales*, and went on writing them. The programme, adorned with atmospheric sound and admirably read by David March (as Lovercraft), Blain Fairman and Garard Green, was written by Mike Walker and narrated by Hugh Burden. I was entranced.

Edward Fox, Jill Bennett and Peter Baldwin

The Dance of Death

BY MICHAEL COVENEY

The new season at the Royal Exchange in Manchester opens inauspiciously with Kenneth MacMillan's uneasy and ill-judged revival of Strindberg's 1900 study of a dead and disastrous marriage. *The Dance of Death*, although set in a circular tower on a fortressed island, proves curiously resistant to this "in-the-round" theatre, its *hellish concentration of marital* vitriol and vindictiveness dissipated in the Exchange's fickle acoustic and contrived spaciousness of Laurie Dennett's design.

In a famous production, Max Reinhardt opened and closed the proceedings with the Captain of Artillery and Alice, his wife, staring upstage in mutual isolation away from the audience. Sir Kennth—whose first major theatre production this is, following a recent fringe Ionesco double bill—presents us initially with the sight of Jill Bennett "half on" to Edward Fox in a rocking chair. After studying the Captain's hairstyle for several minutes, I caught a glimpse of Mr Fox's face which was equally unyielding. He plays as if suffering from lockjaw, squinting through half-closed eyes. He is supposed to be ten years older than his wife, a fact never remotely credible with this casting.

It is not, however, on its own terms, a performance without interest. The physiological accuracy of the Captain's collapse and subsequent ramblings are caught with a glancing, strange complexity, Mr Fox at last opening his eyes on the couch to query the onset of annihilation. And there is a cruel relish to the Captain's jeering reference to Alice's sacrificed acting career when the mutual friend, her cousin Kurt, arrives to pay his respects on his way to the society party down the road.

What we have, in fact, is the sight of a clubland loony puffing on his cigars and enjoying the role of a persecuted eccentric, instead of Strindberg's raucously tragic creation of a man driving himself and his marriage to the brink of destruction. Miss Bennett and Mr Fox circle each other warily, landing a few jabs here and there, but hardly the body punches required to influence the outcome of a heavyweight contest. Mr Fox fails to unleash the virulent, tortured anguish and even, surprisingly in these circumstances, makes a hash of the Hungarian dance.

Peter Baldwin is lightweight casting as Kurt, with the result that his explosion of lust for Alice goes off like a damp squib. Kurt is, the amateur psychoanalyst drawn unwittingly into the whirlpool, a transformation that here goes entirely unexplored. The tactical switches of the second act (the Exchange performs only Strindberg's first part, ignoring the more optimistic coda with the two grown-up children) are deftly managed and there is a muffled elegiac quality to the final terrifying compromise. But Jill Bennett's resigned misery at the news of an extended sentence, although beautifully expressed, is robbed of any heart-stopping resonance.

Michael Meyer's translation is used, if not strictly adhered to. Kurt observes that there is death under the floorboards, *rather than* corpses. And the theatre's requirements make it impossible for the Captain to start the last scene by throwing his cigars out of the window. The play ends on the same note as on which it began, Mr Fox fully *illustrating* at least the Captain's understanding that the art of living is a question of blotting out the past. But that is not really enough.

The last Royal Exchange season is generally held to have been a disappointment, a feeling reflected in the theatre's poor showing in the nominations, just *closed*, for *this year's Manchester* Evening News Theatre Awards. This is a surprisingly thin-looking list for an area bulging with activity, and I can hardly see this *Dance of Death* entering the considerations for next year's trophies.

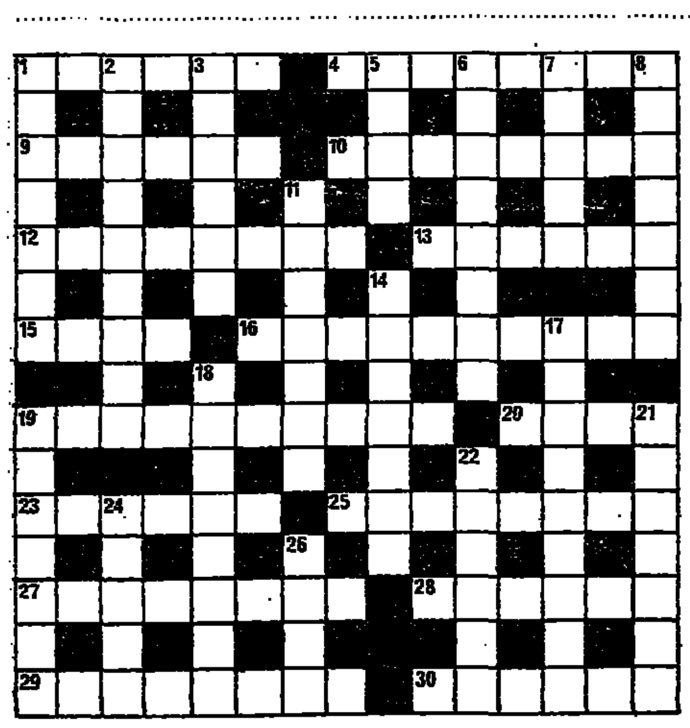
Still to come in the Exchange's autumn season, however, are *Hamlet* with Robert Lindsay, a new adaptation of *Moby Dick* (no replacement announced as yet for the defecting Patrick McGoohan), and O'Casey's *The Plough and the Stars*.

F.T. CROSSWORD PUZZLE No. 5,219

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



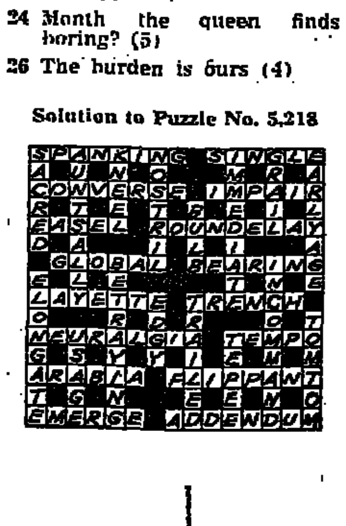
ACROSS

1 Sticky situation for gunners in Stirling? (6)
4 Idyll of former days put into words? (8)
9 Grace's partner has a 5 in 4 (6)
10 Honest and holy man, correct about article (8)
12 Flower makes birds almost sound like cats (8)
13 A perfume rising? (6)
15 Raffle that isn't won (4)
16 Allow quarter to fractions for replacements (5, 5)
19 Probable union members on TV? (6, 4)
20 Does it wade into Garibaldi biscuits? (4)
23 Swears horribly, getting fish (6)
25 A glass at sea—outside church, preferably (8)
27 Army unit, for example: I'm divided about it (8)
28 Recover when in the red, maybe—or puce? (6)
29 Caution induced by something less than fatigue (8)
30 Man kept fast? (6)

DOWN

1 Made quieter? Warmer had priority (7)
2 One part of speech in grade featuring anglers? (5-4)
3 Suppress in court? (6)
5 Stake, not post (4)
6 Varied patterns of architecture (8)
7 Black sheep needs rouge (5)
8 Less than accurate about not a large child could exemplify it (7)
11 TV lawyer, a queer stick (7)
14 Yield in favour of Mussolini (7)
17 Steal dressed as a graduate—of Nottingham? (5, 4)
18 Antihero of MASH, possibly, in sponge form? (8)
19 Rough blow leads to quarrel—not exactly cultured! (3-4)
21 Too much French in agent makes the vulgar ill-tempered (7)
22 You get confused with Reverend, obviously not the DIY type (7)
24 Month the queen finds boring? (5)
26 The burden is ours (4)

Solution to Puzzle No. 5,218

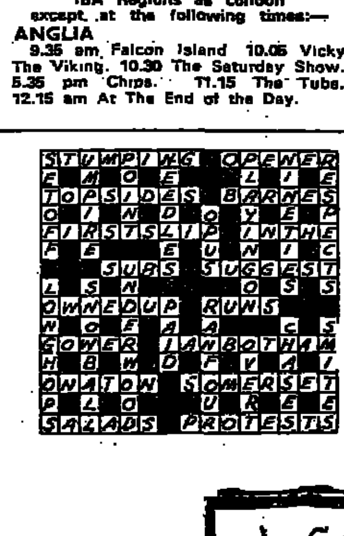


SOLUTION AND WINNERS OF PUZZLE NO. 5,213

Mrs A. Hesse, 27 Rocvale Court, Roman Terrace, Leeds LS8 2DU.

Mr Rex de la Haye, 19 Park Road, Dalkeith, Midlothian.

Mr G. R. Slater: 2 Stratton Drive, Barking, Essex.



+ Indicates programme in black and white

BBC 1

6.25 am Open University. +8.55 Edgar Kennedy in "Bad Housekeeping." 9.15 The Get Set Picture Show. 11.15 Saturday Morning Film: "Tender Warrior." 12.12 pm Weather.
12.15 Grandstand, including 12.45 News; Football Focus (12.20); Motor Racing Focus (12.50); Golf (1.05, 2.40, 3.55) The St Mellion Timeshare Tournament Players Championship from Cornwall: Racing from Newbury (1.50, 2.20, 2.50, 3.20); Championship Darts (2.10, 3.10, 3.55) The Unipart British Professional Championship: 4.35 Final Score: (N. Ireland only: 5.05 Northern Ireland Results).
5.15 The Dukes of Hazzard.
6.00 News.
6.15 London—Sport: South-West (Plymouth)—Spotlight Sport; Other English Regions — Sport/Regional News; Scotland — Scoreboard; Wales — Sports News Wales; Northern Ireland — Northern Ireland News.
6.20 The Noel Edmonds Late Late Breakfast Show.
7.05 Blankety Blank.
7.40 Juliet Bravo.
8.30 Three of a Kind.
9.00 News and Sport.
9.15 The Last Night of the Proms: BBC 1 joins Radio 3 at the Royal Albert Hall where the musical festivities are directed by Norman Del Mar.
10.25 (not Scotland) Match of the Day.
10.25 (Scotland) Sportscene.
11.15 Saturday Late Film: "Man in the Wilderness" starring Richard Harris.

BBC 2

6.25 am-3.10 pm Open University.
+4.15 Saturday Cinema: "The Toast of New York."
6.00 Championship Darts.
7.00 Grand Slam.
7.25 News and Sport.
7.40 Fly on the Wall.
8.10 Championship Darts.
9.00 "Serpico," starring Al Pacino.
11.05 News On 2.
11.15 Championship Darts.
+12.15-12.45 am The Twilight Zone.

LONDON

6.25 am TV-am Breakfast Television.
9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show with Isla St Clair and Tommy Boyd.
12.15 pm World of Sport: introduced by Dickie Davies; 12.20 Rock Climbing from Llandberis Pass, Snowdonia; 12.30 Water Skiing—The Peter Stuyvesant International; 12.45 News; 12.50 On the Ball; 1.20 Rock Climbing; 1.25 Karting—The TV Times Superkart Challenge; 1.40 Racing from Ayr; 1.55 Rock Climbing; 2.10 Racing from Ayr; 2.25 Speedway—Embassy British Open; 2.40 Racing from Ayr; 2.55 World Championship Boxing and Rock Climbing; 3.45 Half-*time Soccer Round-Up*; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 The Fall Guy.
6.30 Game for a Laugh.
7.30 Punchlines.
8.00 Hart to Hart.
9.00 News and Sport.
9.15 Adult Movie: "Sweeney 2" starring John Thaw and Dennis Waterman.
11.15 Clive James on Television.
11.45 London News Headlines followed by Pink Floyd at Pompeii.
12.45 am Profiles in Rock: The Who, followed by Night Thoughts with Dr A. A. Mughram.

CHANNEL 4

2.05 pm Counting On (repeat).
+2.30 "Beau Geste," starring Gary Cooper, Ray Milland and Robert Preston.
4.35 Well Being.
5.05 Brookside.
6.00 Video Video.
6.30 News Headlines followed by Animation at Cambridge.
7.00 A Working Faith.
7.30 My World and Welcome To It.
8.00 The Story (So Far) of Mr and Mrs McGregory's Amazing Marching Band.
8.30 Children's Story.
9.00 The Charterhouse of Parma.
10.05 Caleb Williams.
+11.10 "Pride of the Yankees" starring Gary Cooper and Teresa Wright.

S4C (WALES)

1.40 pm Dringo. 1.50 A Week in Politics. 2.30 Dringo. 2.55 Ulster Landscapes 3.20 Dringo. 3.50 Manscape. 4.20 In Search Of Paradise. 4.45 Making The Most Of. 5.15 Feeling Nice Now. 6.35 Anturiaethau Syr Wynff A Plywmsan. 7.00 Newyddion. 7.15 Gair O Wlad Y Sais. 7.45 Tros Ryddid. 8.30 Ladybirds. 9.15 Y Maes Chwarae. 10.05 Charterhouse Of Parma. 11.00 Accidental Death of an Anarchist.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA

9.35 am Falcon Island 10.05 Vicky The Viking. 10.30 The Saturday Show. 5.35 pm Chips. 11.15 The Tube. 12.15 am At The End of the Day.

BORDER

9.25 am Cartoon. 9.40 Tarzan. 5.35 pm Chips. 11.20 Journey to the Unknown.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Profiles in Rock. 10.05 Vicky the Viking. 5.35 pm Chips. 11.15 "The Night Strangler," starring Darren McGavin.

CHANNEL

9.25 am Saturday Space — Stingray followed by Space 1999 followed by Puffin Space. 5.05 pm Puffin's Pla(i)ce. 6.10 The Krankies Klub. 11.15 The Tube.

GRAMPIAN

9.35 am The Smurfs. 10.05 The Adventures of Gulliver. 5.35 Chips. 11.15 Reflections. 11.20 Anthony Newley in Concert.

GRANADA

9.25 am In Sand and Eel Grass. 9.40 Falcon Island. 10.05 Vicky the Viking. 5.35 pm Chips. 11.15 Hawaii Five-O. 12.10 am Thin Lizzy.

HTV

12.13 pm HTV News. 5.04 HTV News. 5.35 Chips. 11.15 The Best of Saturday Night Live. 12.15 am That's Hollywood.

SCOTTISH

9.25 am Larry The Lamb 9.35 Private Benjamin. 10.05 Zoom The Dolphin. 5.35 Magnum. 11.15 Late Call. 11.20 Star Parade.

TSW

9.25 am Cartoon: Dick Tracy. 9.30 Freeze Frame. 10.28 am Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House On The Prairie. 11.45 The Fruitts Of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 11.15 The Tube. 12.15 am Postscript.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 3-2-1 Contact. 12.12 pm TVS Weather. 11.15 Joe Cocker On Tour. 12.20 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 The Adventures of Gulliver. 12.13 pm North East News. 5.05 North East News. 5.35 Chips. 11.25 Rock Around Midnight: Kate Bush—Live at the Hammersmith Odeon plus 12.25 am The Jam Special. 1.00 Post's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.56 Sports Results. 5.08 Ulster News. 5.40 Chips. 9.14 Ulster Weather. 11.15 Star Parade. 12.16 am News at Bedtime.

YORKSHIRE

9.25 am Melotoons—Hansel and Gretel. 9.40 Little House on the Prairie. 5.35 pm Magnum. 11.15 Casablanca. 12.10 am Late Night Drama.

(S) Stereo broadcast

RADIO 1

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis with the Radio 1 Roadshow from Covent Garden. 1.00 pm Rock Lists Show (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S) including 8.02 Racing Bulletin. 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.30 The Kenny Everett Show (S). 1.00 pm Punch Line. 1.30 Sport on 2: Football including second-half commentary from 3.55; Gold: The St Mellion Timeshare TPC; Racing from Newbury at 2.30, 3.00 and 3.30; 5.00 Sports Report, including 5.00, 5.50 Football results and 5.45 Racing results. 6.00 *Country Greats in Concert*. 7.00 Three In A Row. 7.30 Big Band Special (S). 8.00 A Night in Vienna (S) from The Orchard, Dartford, Kent, including 8.55-9.15 Interval (Don Durbridge explores The Orchard). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells presents You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Edinburgh International Festival (S) Czech P.O. concert given September 5, part 1: Zemlinsky, Dussek (12.10 pm Interval Reading). 12.15 part 2: Dvorak. 1.00 News. 1.05 Brahms Lieder (S). 2.00 Sir Adrian Boult (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Ton Koopman harpsichord recital (S). 7.15 Jerusalem Diary. 7.30 Proms: The Last Night, from the Royal Albert Hall. Part 1: Bax, Elgar, Szymanowski (S). 8.45 Penman In A Public Library. 9.15 Proms, part 2: Elgar, Walton, Henry Wood, Parry orch. Elgar (S). 10.20 Another World (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather: Travel: Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Breakaway, including 8.57 Weather: Travel and 9.00 News. 9.50 News Stand. 10.05 Conference Special (Report on the Social Democratic Party Conference). 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 am News: A Small Country Living. 12.27 Quote . . . Unquote (S). 12.55 Weather: Programme News. 1.00 News. 1.10 Any Questions? from Duffield, Derbyshire. 1.56 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Transformations. 4.00 News: International Assignment. 4.30 Does He Take Sugar? 5.00 This College and University Business. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather: Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.20 Stop The Week with Robert Robinson. 8.00 Richard Baker with music on record (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Last Night For Ever (S). 11.00 Soundings. 11.30 Wild Spain (S). 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 8.33 The Boat Show. 9.03 Openings. 9.30 Quartet. 10.02 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-6.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Mark Smith. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline. 1.00 am Night Extra. 4.00 Travel '83.

CAPITAL RADIO

7.00 am Dave Cash. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Music Centre with Steve Collins. 2.00 Duncan Johnson's Afternoon Delight. 6.00 Gary Crowley's Magic Box. 7.00 The Greg Edwards Soul Show 9.00 Roots Rockers. 11.00 Foreign Affair with Charlie Gillett. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 482

1 N-Q4? N-N6 ch! 2 PxN, Q-R6 ch and White resigned due to mate next move.

Solution to Problem No. 482

1 Q-B7 (threat 2 Q-K5 mate—diagonal queen retreats are the hardest moves to foresee). If 1 P-Q3; 2 QxB, or if R-N4; 2 Q-QB4, or if P-B3; 2 B-Q5, or if B-Q3; 2 Q-N7, or if B-B3; 2 B-R7.

THEATRES

For whom the Belle rolled

BY JANET MARSH

"THE BRIGHTON BELLE was a beautiful train," says the brochure of the exhibition devoted to this small piece of railway history that has just opened at the Brighton Art Gallery where it continues until November.

It is just over a decade since the Belle last ran, but already it seems to belong to a far-off past, before Jimmy Saville the great leveller assumed the role of spirit of the iron-road.

Among the great trains of the world, the Brighton Belle is not in the same league as the Train Bleu or the Orient Express, of course; but it had its own special style.

Its great days were between the wars, and to the end it still had something of that gracious never-never world of the old railway posters in which ladies and gentlemen of undoubted leisure and easy elegance hob-nobbed on the limousine-lined lawns of grand hotels, while beaming porters bustled about in the background with their shiny leather luggage.

Its commuter character gave the Belle more the atmosphere of a club than the normal luxury hotel style of other Pullman trains. It was a special favourite of London theatricals who dormitorised in Brighton; and Lord Olivier (then Sir Laurence) might often be seen savouring kippers that were a speciality of the cuisine.

George Pullman's business philosophy was that if he provided a better product, regardless of the cost, somebody would pay the price. (In 1909 a Pullman return trip from Victoria to Brighton cost all of 12 shillings.)

The first luxury sleeping car produced by the Pullman Palace Car Company of Chicago appeared in 1865, and the first one came to England in 1874. Already in 1879 a Pullman service to Brighton was inaugurated, and raised eyebrows not only by running on the Sabbath, but also by the large size and Transatlantic flourish of the coaches.

It was after the establishment of a British Pullman Company that the Southern Belle was inaugurated in 1909: the name was only changed to the Brighton Belle in the early 1930s, when the line was electrified. Brighton had special links with the Pullman Company by this time, since the main body works had been established close by at Preston Park in the twenties.

The exhibition illustrates all the art, craft and artefacts that made the Belle, from the saucepans and alchemical devices of the galleys to the locks and light fittings, at first in solid Edwardian brass, later in silver plate to suit the art deco styles of the great days. There are posters, brochures, menus, cutlery, massive Maple chairs from the first class coupes and those curious, conical celluloid lampshades that never changed in the last 40 years of Pullmans.

A magnificent model of a Pullman coach that used to stand in the Preston Park works and is now lent by the Science Museum, shows the extraordinary craft of the body-builders 70 years ago, when most of the structure was still in wood.

A special feature of the Belle carriages was the superb decorative marquetry panelling, to standards of craftsmanship unattainable today. British Rail destroyed most of it on bonfires during the years of Beeching euphoria.

The few examples that were saved, like those in the Brighton exhibition, are now treasurable collectors' pieces.

The Brighton Belle exhibition is just next door to the Pavilion, which should at all costs be revisited with John Dinkel's new study, *The Royal Pavillion, Brighton* (Scala/Philip Wilson, £9.95; paperback £4.95) in hand.

With a profusion of fine colour photographs of architectural details, and reproductions of practically every known print or drawing relating to the building, the book is a remarkable bargain for these days of high printing costs.

Mr Dinkel, who is deputy director and keeper of the Pavilion, guides us easily through the stages of the building's slow evolution from a modest farmhouse (whose form is still sympathetically preserved as part of the facade) to become the most audacious flight of architectural fancy in Britain.

The book offers a persuasively sympathetic picture of the begetters of the palace, the voluptuary prince and his intrepid architect John Nash. Nash was a singular combination of charlatan and undoubted genius, utterly fearless in adapting himself to any style and to every new technique: the book illustrates Nash's ingenious engineering and imaginative use of new materials like cast iron to support his decorative structures.

The new technologies, Nash's 40 years of expertise and the royal purse were happily combined to create a work of architecture that is purely of the imagination: an Indian fantasy to enclose a dream of old China.

At first sight it might appear a singularly reckless gesture for the Prince Regent to have chosen this moment to build so extravagantly, in defiance both of national puritanism and of the current of taste (Chinoiserie had been out of style for decades, though the Pavilion was to bring it back).

The country was just emerging from the Napoleonic Wars, in dreadful economic shape. The bloody overthrow of the French monarchy was still perilously close in the memory.

Yet Mr Dinkel points out that, conscious or not, there was method in Prinny's grandiose fantasies. He perceived that monarchs must also be showmen. The modest homes his father and forbears inhabited were a scandal among the more flamboyant princes of Continental Europe.

The British public may not have approved of the private life of the eventual George IV, but they loved the glamour of his great coronation, the grandeur of his restored Buckingham Palace and Windsor Castle, and the ambition of the triumphal parade he planned to Regent's Park.

He gave to the British monarchy a lasting sense of style. In the Pavilion (which the city purchased from the Crown in 1850) he bequeathed to Brighton its most permanent and irresistible tourist attraction.

Can Australia II beat the jinx? **Bob Fisher** reports

For want of a nail . . .

IT IS a generally accepted fact that twice before in the America's Cup the Australians have had the faster boat and lost the series. It would appear that history could easily repeat itself this time.

Alan Bond's Australia II from the Royal Perth Yacht Club has displayed appreciably greater speed than the New York Yacht Club's defender Liberty but has yet to cross the finishing line ahead. Each time the reason for the Australian failure has been different—this time Australia II has suffered a major breakdown in the first two races.

The failure of Australia to win the cup with faster boats dates back to the first challenge from down under in 1962 when Sir Frank Packer's Sydney syndicate challenged with the Alan Payne-designed Gretel against Weatherly.

Sir Frank treated the affair like he did his newspaper business, hiring and firing as he, and he alone, thought fit. He never allowed a crew to settle and had some strange choices for it including some rather elderly friends. Even so, Gretel did manage to win one race.

The next Australian challenge failed dismally as the Americans came up with a boat as radically different to the Dame Pattie as Australia II is in this year's competition. Intrepid was the breakthrough boat, the first 12-metre to have the rudder separate from the keel and she left Dame Pattie to wallow in her wake. But the next challenge from the Royal Sydney Yacht Squadron was a completely different kettle of fish.

Alan Payne was once again the designer and his Gretel II was as good as Intrepid had been three years before and better than the American boat which had been altered and in everyone's eyes was a slower boat than she had been in 1967.

Gretel II did win one race and finished ahead in another only to lose that victory in the protest room by one of the most hotly-disputed decisions in Cup history.

Superior speed and skill have kept the Americans ahead in each of Alan Bond's three previous challenges but this time the Perth entrepreneur has the yanks worried. Australia II was easily the best of the seven challengers that took part in the three months of trials to select the boat to meet Libery in the cup races, winning 48 races and losing only six.

Another bid for Australia

What she didn't get, however, was the weather like that for the first two races of the Cup proper—winds of 18-22 knots—which are testing her gear more than it ever was before.

And those winds have taken their toll. Bond has trimmed his squad until there are only 28 in Newport, including the 11 who race the boat, to maintain this highly sophisticated boat and its complex gear.

It might be that he has trimmed too closely and given himself an unnecessary problem.

The first race was lost when a lug holding a pulley with a steering cable running through it fractured and the crew struggled for eight minutes to rig a temporary replacement, losing a minute or more to Liberty.

In the second race the carriage which takes the head of the mainsail to the top of the mast broke four minutes before the start and tore the sail allowing it to slip a foot down the mast. Nothing could be done to put it right, yet in spite of this Australia II led for half the race.

It was a failure that had happened before. During the selection trials a similar carriage had snapped and there was other damage when a crewman was seriously injured. In spite of Bond's assertions that breakdowns have been limited to three and "it is unfortunate for us that two of them have been on successive days during the Cup," there is clear evidence that Australia II has suffered nine during the time that she has been in Newport.

Most of them could have been avoided by a more carefully planned routine maintenance.

Dennis Connor, Liberty skipper, has as his maxim, "no excuse to lose." Bond could do well to emulate him for it does now seem that Australia could fail—for the want of a nail.

The acceptable face of philately

I SHOULD have been attending a party last night to celebrate the 20th anniversary of the Philatelic Bulletin, published by the British Post Office, but by the time this appears I shall be somewhere in North America on holiday.

Since this is always something of a busman's holiday I shall doubtless be revisiting the Postal Museum in Ottawa, whose philatelic sales counter, manned by two charming ladies, is housed in a replica of a log-cabin post office of frontier days. Their courtesy and helpfulness is something I remember from a previous visit and, indeed, I recall the excellent service offered at the philatelic counters in Toronto and Winnipeg over the past decade.

By contrast, I have to admit that the quality of service offered at those philatelic sales counters I have visited in the U.S. has been uniformly abysmal. I am not one of your ultra-fastidious beings who expresses a desire for a perfectly centred stamp torn from the middle of the sheet, nor even one of those creatures with a penchant for plate blocks and other marginalia. All I seek is a set of the latest commemoratives and perhaps one of each of the latest definitives. American sales staff are programmed to provide only what is specifically requested and the simple tourist who merely asks for "one of everything" gets a dusty answer.

The system requires overhauling to cope with the increasing number of overseas visitors coming to the U.S. each year, since it is obviously geared to the requirements of the domestic market, where collectors know exactly when the next issue is due and precisely what denominations exist.

This exceedingly casual attitude is a far cry from the brisk efficiency of the philatelic counters in European countries whose postal administrations have long appreciated that the revenue from the impulse purchases of foreign visitors was a not insubstantial part of the tourist industry.

To the confirmed philatelist this method of purchasing stamps may not be ideal, though I must point out that among my better investments was the little album which my parents brought back as a souvenir of their holiday in Ireland in the 1950s.

Long before it had a philatelic bureau, the Irish Post Office had a sales counter in Dublin, where one could buy a complete collection going back to the O'Connell set of 1929 — all for a mere £2, but today worth many times more.

It was from a philatelic counter in Melbourne that I got those presentation packs containing the high value definitives with "Specimen" overprint — long neglected, but now listed at astronomical sums by all the standard catalogues.

The British Post Office was a relatively late starter in this field, having for long held the robust view that philatelic sales were a matter only for San Marino and Liechtenstein. A stamp was a piece of sticky paper invented as a convenient method of denoting the prepayment of postage—and nothing more.

Although King George V might have been a stamp collector, and therefore lent respectability to the hobby, the Post Office continued to look upon philatelists as a nuisance and regarded neither their needs nor the lucrative revenue from this source.

There were occasional chinks in this wall of indifference. When a two-shilling stamp booklet was launched in the London area in April 1959

STAMPS

JAMES MACKAY

arrangements were made for provincial collections to write to a department of the Post Office to obtain examples.

Those of us who persevered with the red tape at that time have been well rewarded, since this elusive item now retails at around £7—or 70 times its face value. In the ensuing four years other temporary arrangements were made, as the Post Office became more sympathetic to philately.

At last the Post Office gave way entirely, and established its Philatelic Bureau in May 1963. It was located in the old Central Telegraph Office, ravaged by the blitz in 1940, and only the most tenacious persisted in navigating its labyrinthine corridors in search of the sales counter.

Special placards were stuck to the walls to guide the pilgrim: as fast as they were affixed, they disappeared—taken away by collectors as souvenirs.

Twenty years on, they are probably regarded as highly desirable collectors' pieces in their own right! By the end of 1963 the Bureau had processed 20,000 orders.

The promotion of the Forth Bridge and Robert Burns stamps was entrusted to Scottish Region and so successful were these operations that it was decided to transfer the bureau to Edinburgh in September, 1966. Today it has a modern building at 20 Brandon Street, Edinburgh EH3 5TT, and boasts one of the largest computer set-ups in the U.K.

Trevor Bailey on cricket's long, hot summer

A funny thing happened

THE FIRST-CLASS cricket season which began in the monsoons of April ended in sunshine with my old county, Essex, winning the Schweppes County Championship after an exceptionally close, prolonged race against Middlesex. It had been an odd and whimsical summer.

The sun shone almost continually for three months, unfancied India carried off the Prudential World Cup, the New Zealanders failed to take a century off a limited England attack in four Tests; a promising left-armer, Cook, was called into the team because of an injury to Edmonds and enjoyed a sensational debut, though to suggest the arrival of a world-class spinner is premature.

Last Sunday, Yorkshire, under a 51-year-old skipper, with arguably their weakest-ever team, which finished bottom of the championship table with only one win, won back the John Player League.

Celebration time for Fletcher and Essex.

The success of Essex will please not only their own supporters, but most cricket lovers, because it was achieved by an accomplished, well-balanced team who still enjoy their cricket and have retained their sense of humour.

The humour was much needed on a number of occasions by both their players and followers, as they were involved in so many bizarre events.

Essex were cruising home against Kent in the NatWest trophy competition with plenty of wickets and overs to spare, and then sank in the final overs. A few days later they made a present of the Benson and Hedges Cup to Middlesex.

In championship matches, having shot out respectively Hampshire and Middlesex in their first innings, they saw Hampshire record their highest ever second innings total to win the game and Middlesex to make their largest total for 30 years to save it.

However, their most remarkable performance was dismissing Surrey for 14 after having first put together a reasonable score of 283 including a century from Keith Fletcher. Predictably, Surrey had no problems avoiding defeat.

Although Fletcher, who led his team with customary skill, was assisted by losing nobody to international duty, apart from Foster for one Test, he had under his command some good-quality batsmen, including McEwan, in tremendous form, five above-average seamers, Lever the most effective, the very promising Foster, the slightly enigmatic Phillip, the improving Pringle and the dependable Turner, two potential match-winning slow bowlers and an outstanding young wicket-keeper.

At one time Middlesex were in serious contention for three titles. At full strength they were, in my opinion, the best cricket side on the circuit, but a combination of Test calls and injuries, especially those to Butcher and Slack, proved too big a handicap, and they had to settle for the Benson and Hedges Cup and runners-up in the championship.

Several counties had reason to be well satisfied with their performances this summer. Among these were Kent, who had almost an embarrassment of young batting talent, Hampshire who will be without West Indies Greenidge and Marshall next summer, and therefore likely to struggle, Leicestershire who did not do quite as well as they had hoped and Warwickshire, thanks largely to their two experienced newcomers, Gifford and Old, who did rather better.

Somerset proved once again to be the most formidable limited-overs team. This is hardly surprising with three world-class cricketers and adequate support.

They won the NatWest Trophy, but finished second in the John Player League, the sixth time they have just missed out in the last ten years.

In the Sunday League the oddest feature was Yorkshire finishing top and gaining their first honour for more than a decade. But when Warwickshire took the title in 1980 they were also one of the weakest counties and had been bottom of the league in the previous year.

Luck, like batting second in rain-affected games, can make a considerable difference but the usual ingredients for success in the John Player League are a good start and the ability to gather runs quickly.

Nevertheless Yorkshire were not one of the faster-scoring teams, as is illustrated by their lack of batting bonus points but on Sundays they were fortunate to take part in an unusually high percentage of low-scoring matches, often on pitches sympathetic to spin and on which Illingworth and Carrick did the necessary.

Although one can find fault with certain aspects of the John Player League, it does provide the revenue so needed by counties. Yorkshire's home matches were watched by 47,000 people and their gate receipts rose by 38 per cent to £53,733 while Somerset took a healthy £57,000 in their Sunday fixtures

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Saturday September 17 1983

Simple-minded U.S. policies

IR NIGEL LAWSON does not ;eem to care whether he is a popular Chancellor, but has all he more chance on that ccount to prove an effective ne. His sudden moves to block wo offshore tax loopholes—one n the North Sea, and another n the Channel Islands — are idely regarded as unsporting ecause they break the unwritten rule that any loophole which survives one Budget will emain open until the next; rdinary taxpayers, who are probably paying rather more tax han they need, should be grateal. He is showing an equally etermined face to the spending epartments and to the public-ector unions. Clearly he egards the basic skill of ational housekeeping as a atter of hard, detailed graft. he proves imaginative as well s tough, he could prove to be very good Chancellor indeed.

Track record

For the world at large, however, Mr Lawson's performance only of minor importance; at of his American opposite umber, Mr Donald Regan, fluences the future of every eveloped country, and still ore the future of the debtor ountries in the developing orld. He has a much longer ack record than Mr Lawson, ut it is unhappily not an npressive one. This may seem dd, since the proclaimed conomic policy of the two overnments is in many ways milar; but there is all the ifference in the world between roclaiming a set of slogans—gainst inflation, in favour of e market economy—and lopting them as actual working rules. American policy still oks far too much like the ogans.

To be sure, the American stem of Budget-making, a ear-long bargaining process etween the Administration and he Congress, goes a long way paralyse fiscal policy in the hort run. That is one reason hy the American policy ebate is not so much about this ear's deficit, but the deficits xpected in 1984 and as far head as 1986. This is not all ss, though; the debate outinely takes in all the long-rm issues about programmes hich Mr Lawson is now trying get on to the agenda.

A slow-motion fiscal machine oes mean that day-to-day management leans far more heavily the U.S. on monetary actions an it does here. Given the nportance of U.S. monetary olicy not only to the U.S. conomy, but to the whole dollar-using world, one might hope at it would be uniquely ophisticated and well-managed. Alas, these are not the djectives one would choose.

The weekly ceremony of ational nail-biting ahead of e Friday money-supply estimates (which incidentally can make these commentaries rather difficult to compose at times) is a sign of how far U.S. policy has slid into mumbo-jumbo. The weekly figures, as the governors of the Fed well know, are virtually meaningless; a random slip in the transit items, or a calculating error by one major bank, can produce a drastically wrong number; but even if the numbers were right, they would not mean much. Even in a closed economy, the liquidity of the private sector can swing sharply in the short run through the ordinary accidents of tax accruals, the timing of share and bond issues, and the mood of the investing public. As every practitioner in London knows, it is the underlying trend which matters.

However, America is very far from being a closed economy, and this is one reason why the authorities there are becoming increasingly confused about the meaning of the underlying numbers themselves. Since it might be bad for confidence if the authorities admitted that they simply do not know what the numbers mean, they talk in code. In London it is customary to talk about "the importance of watching more than one indicator"—which, since the indicators routinely contradict one another, means flying by the seat of your pants. In America, the authorities use this excuse too, but prefer to talk of "accommodating a change in velocity"—which means tolerating a monetary overshoot if you feel like it.

However, excuses are only useful if they are convincing, and there have been growing signs that neither Wall Street nor the Treasury Secretary, Mr Donald Regan, have been convinced by the excuses for a relatively lax approach. A scared Wall Street, egged on by a worried Treasury Secretary, can in the end impose its own monetary policy, as bond prices fall and money market rates are dragged up behind bond yields.

Sensible targets

That, broadly, and in fits and starts, is the history of recent months; and high real interest rates explain why the U.S. recovery—and the equity market — is now faltering, and why the international debt crisis rumbles indefinitely on. What is needed is a more sophisticated analysis which would give significance to the money numbers—including the vast but now shrinking sums held offshore—which would reassure the markets that a currency which is persistently tending to rise in the exchanges is hardly over-abundant; and would then adopt more up-to-date means, such as indexed funding, of achieving meaningful and sensible targets. We have all had an overdose of the Friday neurosis.

The jewel in Taubman's crown

By Terry Dodsworth in New York

MULTI - MILLIONAIRE, entrepreneur, quicksilver wheeler-dealer—and passionate art collector, Mr A. Alfred Taubman clearly fits a certain American stereotype, and it is tempting to think that the £83m bid for Sotheby's which he will formally launch on Monday is just another example of a rich man indulging his hobby. Nothing could be further from the truth.

Mr Taubman sees himself primarily as a marketing specialist, and he has the imposing physical presence, natural ebullience and personal charm of a born persuader.

It is said that he strode into the Monopolies Commission and immediately undermined the cold court-like atmosphere by shaking all the members by the hand. The common thread of all his deals, he says, from shopping malls to the 800 A & W restaurant chain and now Sotheby's, is that they take advantage of an underlying marketing opportunity.

Take one of his most recent ventures, the formation of a summer American Football League and his own controlling stake in one of the teams, the Michigan Panthers. Like Sotheby's, this could be regarded as an act of self-indulgence from a man who adores sport, and who still, at the age of 58, does a regular bout of sparring in his in-house gym ("It's very aerobic, you know"). But he still sees football as a business. "Sure it's enjoyable, but all the other kinds of business I'm in are enjoyable."

The concept was to launch a football league which could be sold to television, radio and sponsors in the summer months when the traditional season closes up. By avoiding direct competition with the normal winter league, unlike other abortive attempts to create a second football tournament, he aimed to draw on a pool of supporters who had nowhere else to turn. After one season, Panthers are on top of the league and he believes profits are in prospect: "We didn't lose money; we made an investment," he says.

The football project was a typical example of how Taubman puts a deal together. Virtually all of his investments are made alongside friends and business associates, often from the Detroit area where he was born and has lived all his life.

Two of these collaborators, Mr Henry Ford II, the recently retired chairman of Ford, and Mr Max Fisher, the former head of United Brands, crop up time and time again in business as in private life—they all work together on plans to revitalise central Detroit. They will also be junior partners in the financing of the Sotheby's acquisition, just as they were in the staggering Californian coup which more than any other made his name as a man with a Midas touch.

This involved a nerve racking bidding game against Mobil Oil for a huge farming estate in Orange County. Mobil's bid started at $180m, and the Taubman group had to go all the way up to $337m before they saw the oil company off. "There were different ways of looking at it," says Taubman laconically. Six years later, after rapid development had sent land values racing through the roof — Orange County proved to be one of the fastest growing areas in the West — the group sold out at a colossal profit. Mr Taubman says it cleared "much more" than $100m net on the deal for himself alone.

The Californian episode, brilliant as it was, took him some way from the original base of his business empire. This was formed out of the 1960s move towards off-centre shopping in purpose-built enclosed malls. Associates credit Mr Taubman with being one of the first to spot the trend, and probably the best at exploiting it. He trained as an architect and designed some of his 20 malls himself.

Yet while that gave him a conceptual head start on many of his competitors, the key to the business has been in the marketing control he exercises: the malls are designed with specific retailers in mind, and the Taubman managing group allocates space and juxtaposes different products as though in a giant department store.

This approach gives a strong clue to the way he will tackle the Sotheby's venture. What intrigues him in the auction house, apart from his interest as an art collector, are the possibilities for development. It is, he says, a very intriguing marketing situation. "Presentation and selection; the way things are sold and the way they are grouped, are very important. I think I could be of benefit there."

As an eclectic collector—Chinese pottery, 19th century American painting, impressionists and antiques—for the last 30 years, he knows the showrooms backwards, and it is difficult to see him standing quietly on the sidelines once the action begins.

Alfred Taubman: millionaire entrepreneur and sports promoter in a new arena

End of an era: the bid that sets the seal on a trend

THE ERA in which London dominated the world's fine arts market will come to a symbolic end on Monday when Mr Taubman's bid is formally launched.

The bid sets the seal on a trend which has been evident for some time. The pool of art available for sale has increasingly moved across the Atlantic as wealthy American buyers have scooped up more and more of the dwindling supply of British and other European art treasures. And now the Far East is also coming into its own as a major centre for the market.

Even so, Monday will have more than a little poignancy for Sotheby's. It is scarcely 25 years since Mr Peter Wilson, now retired and living in the South of France, launched the auction house on a bold period of expansion culminating in Sotheby's purchase of Parke Bernet, the old established New York auction house.

Now the wheel has come full circle. Sotheby's, which went public six years ago, will once again become a private company. Its shares will be held by a new company incorporated in the U.S. This in turn will be owned by another American company over which Mr Taubman will have control although he insists that Sotheby's will continue to be anchored in Bond Street.

Meanwhile Christie's—Sotheby's arch-rivals—may perhaps be forgiven for a certain smugness. "Sotheby's were mushrooming and were not far-sighted enough to see that you can't do it all at once," says Mr Martin Summers, managing director of the Lefevre Gallery which specialises in French 19th century painting. "Christie's were more staid. They appeared to be number two, but they did not deviate from a well-tried formula."

Although Sotheby's has overtaken Christie's in auction turnover — £267.5m against £184.7m in 1982—mainly because it was the first to develop the untapped U.S. market, Christie's was for centuries the dominant force, handling the works of art for the British aristocracy and gentry while Sotheby's was basically a book seller.

But since Sotheby's made a success of the Goldschmidt sale of Impressionist paintings in 1958, disposing of seven pictures in 20 minutes for £781,000—at that time an extraordinary record total—it has managed to acquire most of the really big properties, especially while Peter Wilson was chairman.

An inevitable consequence of the much fiercer competition was a willingness for the two houses to compete for big properties by reducing the commission paid by the vendor—possible after the introduction of a buyers' premium in 1975.

While it is the sale of the large collections which catches the public eye—Sotheby's and Christie's still account for the sale of 90 per cent of the important art works that go to auction—much of their business depends on the smaller, less valuable items. Sotheby's estimates that about two-thirds of its UK turnover derives from items worth between £100 and £10,000.

Despite the increasingly mundane nature of their work, which Sotheby's, for example, has fostered with its "fast sales," they have nevertheless surrounded themselves with an aura of exclusivity.

This impression was strengthened by the affronted reaction of Sotheby's to the initial bid approach last December from Mr Stephen Swid and Mr Marshall Cogan, men who made their money in the manufacture of carpet underlay and, admittedly, well-designed furniture.

In a distinctly sniffy reaction to the first American bidders, Sotheby's said it was "unable to identify any areas of synergy between the two companies, nor has General Felt (the Swid/Cogan bid vehicle) demonstrated any understanding of the special character of our business or the people who comprise it."

Sotheby's insists that, contrary to what Swid and Cogan say, it was never a question of elitism. "The personal chemistry was not right," says Mr Julian Thompson, chairman of Sotheby's UK operations. "It was the way Swid and Cogan approached us. With 14 per cent of our shares in the bag they came to us talking from what they regarded as a position of strength.

"They wanted to take over a people business against the will of the people. It seemed strange to us that they persevered, most extraordinary.

"Mr Taubman is the opposite in every way. He said that there was no question of his making a bid unless we were 100 per cent behind him."

Mr Paul Whitfield, managing director of Christie's, agrees: "The art world excludes outsiders until it knows them. Most people in the business have been in it for a long time. It does regard newcomers with a certain suspicion, more so when they are not British but probably brash and outspoken in a way one is not accustomed to in this country.

"But in another sense the art world is not exclusive. Christie's does not recruit people for social reasons, debutantes or young men who have just left the army. But in a business where you are dealing with private clients in their houses it is an advantage to have people who can talk to them on their own level."

The Monopolies Commission expresed reservations about the fact Sotheby's will publish less detailed financial information once it is under private American ownership. But the company's board has no misgivings about leaving the public arena.

"We only went public in 1977," says Mr Thompson. "In some ways we will have a better future as a private company. I'm not at all sorry to see us have a future where we don't have to be public."

Today the very best Impressionist and modern pictures are sold in New York and increasingly the highest prices in furniture and silver are paid there. London still has the edge in Old Masters and in medieval and Renaissance works of art, but the relative smallness of the home market is inexorably driving sales overseas.

London will always remain important for the medium-range sales, attended by continental dealers and the lifeblood of the antique trade. There will still be important auctions of fine pictures, furniture and silver at least twice a year, and some collections, especially in areas like tribal art, antiquities, and manuscripts, will sell through London. But Mr Taubman's acquisition of Sotheby's will be one more factor in establishing New York as the dominant art centre, albeit a dominance based on British expertise and British reputation.

Charles Batchelor
and Antony Thorncroft

Letters to the Editor

Abolition

From the Press Officer,
Campaign to abolish the GLC

Sir,—Robin Pauley's report September 12) that civil ervants are "concerned" at overnment proposals to bolish Greater London Council nd the Metropolitan councils lows us to identify a clear se of "Yes, Minister" style dvice being tendered.

These same officials will find on aid to concentration to ave the following message inned to their desk tops: "the etropolitan councils and the reater London Council have een shown to be a wasteful nd unnecessary tier of government. We shall abolish them nd return most of their functions to the boroughs and istricts."

The Environment Secretary ill be able to remind them at the above passage may be ound in the Conservative election manifesto. It is a self-truth hich we fully expect to see epeated in the White Paper hen it appears any day now.

No evidence whatsoever has far been identified which ould reasonably lead one to onclude that the costs of abolion would exceed the savings. Moreover, the idea that dministrative convenience ould be allowed to take precedence over the public's raised xpectations of a speedy end to ureaucratic municipalism is reposterous.

What is rightly the subject of onsideration is that abolition not scheduled to take effect ntil April 1986 thus allowing, or example, the bizarre set-up t County Hall to continue to ake a nuisance of itself at a me when most of its powers ill already have been removed other more responsible ands.

The fact is that abolition aree years hence amounts to a ostponement of virtue and is herefore a guarantee of continuing vice. The Secretary of tate should have no hesitation putting in commissioners to implement the remaining duties of the GLC and its counterparts immediately upon expiry of their current terms of office.

The Prime Minister is absolutely right to be "unimpressed" by the talk of difficulties. Additionally, the threat of a House of Lords revolt will serve only to bring into question the role of an unreformed upper chamber which will be seen to be acting expressly contrary to the wishes of a Government with a specific mandate for action.

Colin Smith.
9/9a New Bond Street, W1.

Conveyancing

From Mr J. Bradshaw

Sir, — Lest any of your readers are scared off doing their own conveyancing and in the process saving themselves thousands of pounds because they have read Tony Holland's article "Conveyancing and the public interest" (September 8) may I point out just one inaccuracy.

Holland says that the 1979 Royal Commission on Legal Services by a substantial majority came to the conclusion that not only should the solicitors' monopoly of conveyancing be retained, but that it should be extended to include the preparation of contracts. Not so! Nowhere does the commission say any such thing.

It discusses whether contracts should be made unenforceable if drawn by a person (and that includes a solicitor) who is an experienced property dealer and who through his superior knowledge might induce another person to enter into a disadvantageous contract, but it came to no conclusion at all as to what could or should be done in these cases which arise from time to time.

Joseph Bradshaw,
Castle Books,
Blackdown,
Leamington Spa.

Pickles

From Dr A. Scotney

Sir,—Not surprisingly, Mr Simpson (September 12) attempts to whitewash the South of Scotland Electricity Board by ignoring the main thrust of my letter and trailing a few well-matured red herrings. Where is his defence of the 11-day period from initial meter-reading call to recorded delivery letter at the height of the holiday season? His silence is eloquent. Now to pickle his herrings.

On the five previous occasions, a card was left bearing a jolly jingle along the lines of: "We know you can't help it, but you were out when the meter-reader called . . ." and asking for the meter reading to be recorded on the card and posted. Like any public-spirited citizen, I am always happy to assist, and I pay my bill promptly when it arrives. If Mr Simpson does not want me to fill in the card, his staff shouldn't leave it.

His gloss of the contents of the recorded delivery letter intimating application for a warrant to enter bears no relation to the actual words used. I presume this is deliberate.

I am not surprised to hear that the Consultative Council agrees with Mr Simpson that he is doing a grand job; that simply speaks volumes for the extent to which it and he are out of touch with consumers' opinions.

The considerable favourable reaction I have had on this matter convinces me that there is great demand for a system of prior notification of the date of the meter reading. My students would think it passing strange if they were required to guess the time and date of my lectures, and were then penalised for not being there. Why not leave cards with consumers after each meter reading stating the date of the next call, instead of employing batteries of administrative staff to hound us with threats of legal action?

Talking of batteries, I wonder if. . . .

(Dr) A. Scotney.
17 Hyndland Ave., 1/L,
Glasgow.

Quotation

From Mr P. Kitchen

Sir, — In his article "A primitive way to raise cash" (September 7) your Frankfurt correspondent indicates that German corporations "would rather load (themselves) up with debt or not go public and stay small," but omits to mention one of the fundamental reasons: taxation.

Since all "enterprises," as they are known, must contend with the triple and cumulative impost assessed directly or indirectly on the entity's paid-up capital and/or net worth of: capital investment tax (Kapitalverkehrsteuer) of 1 per cent; net worth tax (Vermögensteuer) of 0.7 per cent; and municipal trade tax (on capital) (Gewerbesteuer) of 0.4-0.8 per cent (the last two components of which permit a large measure of flexibility) it is small wonder that many prefer to forego the uncertain kudos of a public quotation in favour of high gearing.

P. A. Kitchen.
12, Manor Way, Onslow Village,
Guildford.

Interest

From Mr P. Boys

Sir, — With the recent reintroduction of differential mortgage interest rates by the top building societies ("Return to differential home loans," August 24 and "Back to the bad old days," August 27) readers may be interested and dismayed to see how the additional tax benefits gained in the last budget, less than six months ago, raising the mortgage interest relief level from £25,000 to £30,000 have been eroded.

As a result of the way the differential interest rate system works (generally half a per cent extra for mortgages between £25,000 and £30,000, 1 per cent extra for mortgages between £30,000 and £35,000, etc) and particularly because it applies to the whole of the loan, the only potential borrowers to make a net gain, at current interest rates, from a combination of the additional tax relief and the higher interest rates are those borrowing between £27,739 and £30,000, the closer to £30,000 the larger the net benefit, with a maximum of about £4.75 per month for a basic rate taxpayer (this ignores the general rise in mortgage interest rates which has adversely affected all borrowers on a pro rata basis). All other potential borrowers paying basic rate tax and raising loans greater than £25,000 will be worse off than before the budget, especially those who borrow just over £25,000 and those borrowing in excess of £30,000.

It might be argued that one of the reasons for reintroducing the differential rates was the greater demand for mortgages fuelled perhaps partly by the increase in tax relief. To the extent that this is true, the successful lobbying to raise the amount on which mortgage interest relief is available will have had a detrimental effect on most future house-buyers who take out mortgages in excess of £25,000.

Peter Boys
Keynes College, The University,
Canterbury, Kent.

Transport

From Mr H. Law

Sir,—Practical reasons such as lack of headroom, clearances and access points must surely make the majority of railways physically unsuitable for conversion into roads. Other options are, however, worth examining. At one extreme, former railways have been successfully used as leisure facilities such as footpaths, cycleways and nature reserves. At the other end of the spectrum, there is the example of the Tyne and Wear Metro, which was created out of a moribund suburban railway. It was extended to important city-centre destinations not previously served by the railway, and, by using lightweight trains based on Continental tramway practice, a frequent service is run with the minimum of staff. It is significant that preliminary studies for the Tyne and Wear Metro rejected not only conventional trains, but also conversion of the track into a reserved-track busway. Crucial to the success of the Metro was the reorganisation of the bus routes to act as feeder services instead of competitors.

In the case of certain under-used lines, there could well be the potential traffic to justify a proper train service rather than conversion into roads. The "West London freight link" mentioned by Mr Hawksley (September 10) is one example; it could carry a service linking the major outer London office centres of Croydon, Wembley, Harrow and Watford directly to Gatwick Airport. Providing an efficient train service on this important axis might help to relieve some of the traffic congestion of which Mr Hawksley complains.

Railway routes are a valuable resource and they must be utilised to best advantage; where they are at present under-used, it is essential to consider the entire range of possible options in the light of the transport needs of the whole community.

Henry Law.
8, Woodhouse Road,
Hove, Sussex.

Further Letters
Page 23

The battle for the leisure pound

FOR BRITAIN's gambling barons autumn is indeed a time of mellow fruitfulness. As the soccer season swings into turbulent action the pools money starts to flow in; the betting shops enjoy the last scamperings of the flat season and look forward to the rough-and-tumble of the hurdles; the evenings are still sufficiently balmy to tempt the bingo players away from their firesides; and enough tourists remain to keep the casino wheels turning after a summer when the big money has come back to the tables.

Not everything is sweetness and light however. Gambling has, over the years, taken a gradually diminishing share of the British leisure pound. Its audience seems to be ageing and is concentrated on the lower income groups. Now the bookies and the bingo kings are knocking on the doors of Government, seeking changes in the rules in a bid to stop the rot.

The most heartfelt cry is coming from the bookmakers. Ladbroke, William Hill, Coral and Mecca, with a combined share of around a third of the betting shops in the country, are complaining about the resurgence of illegal gambling on horses. They are spicing the appeal of their case to the Home Office with a sideways glance at the Treasury—which, they claim, is losing perhaps £40m a year in tax.

To reach that sort of figure you have to imagine an illegal betting business of immense size, taking well over £400m a year in bets.

Mr Ron Pollard, Ladbroke's Mr Racing and the man generally reckoned to have the best betting brain in Britain, suggests that 15-20 per cent of horse race betting in the UK is done without benefit of licence or tax collection. "You have these little rooms upstairs. A dolly bird in short shorts brings you drinks and you watch the racing on TV, shouting out the odd £50 bet."

The ire of the betting shop owners is raised by the fact that there is no legal way in which they can compete. Far from offering drinks and television, Britain's betting shops are not allowed to have even a tea urn or comfortable seating in their spartan interiors. Ten per cent of turnover is creamed off: tax takes 8 per cent and the rest goes to the Horse Race Betting Levy Board for ploughing back into the sport of kings.

Certainly the size of the tax which is added to bets or deducted from winnings has driven the professional gamblers away from the horses. In the good old days a professional — someone who really lived by betting on horses —might expect a return on investment of 5 or 6 per cent, say £50,000 a year on £1m placed, usually at very short odds. With on-course tax now standing at 4 per cent the margins are too narrow. "There are heavy gamblers," says Mr Pollard. "But they lose money. Many of them are Arabs. Then there are shrewd gamblers. But there aren't any professionals any more, they have disappeared."

This year may have shrunk even the ranks of professionals manqué. It has been one of those years where the favourites and second favourites have not done as well as usual—in other words a bonanza year for the bookies.

To make it more of a bonanza, and to woo back some of that lost revenue, the betting shops want at least to be allowed to have tea and coffee machines in their shops; to be able to instal television sets; to liven up their window displays and to be able to leave the front door open at times. This latter practice is banned—even during a long hot summer—in order to protect the innocent from the sight of gamblers. Above all, of course, the shops want the tax reduced.

It is possible that the betting tax, the competition from illegal betting and the weather in some years but not this (apart from a wettish spring spell) have helped to drive out some of the weaker brethren in the betting shop trade. The numbers have been declining steadily over the years. In 1973 there were 14,873 betting office licences in Britain. Last year there were only 11,774. However, the number of shops owned by the big four has risen from 12.5 per cent of the total in 1971 to 29.9 per cent at the last count and substantially again this year.

According to the Home Office, many betting shops simply don't bother to apply for their licences to be renewed. They just fade away.

In fact, the decline in licences and growth in major chains are mutually explicable. The majors are constantly buying small chains, usually family companies which might have half a dozen shops and where the owner wants to retire. The big boys will buy the chain and then consolidate the business into, say, three outlets. Thus three licences disappear.

The betting shops have turned to activities other than horse racing to boost their incomes. Greyhound racing, although relatively small compared with the horses (some £600m-plus in betting shop bets compared with £2.5bn on the horses) has proved useful when, for example, the weather has hit horse racing.

Another area of betting shop expansion has brought the bookies into direct confrontation with the pools companies. Fixed-odds betting on soccer results is a blossoming sector of betting shop trade. Those involved in it are a little shy of giving figures, but Mintel suggests that last year it was worth £18m-£20m in bets.

All this is high-flown stuff compared with another sector of the business which is pressing Government for change—bingo.

An explosion in the bingo business in the 1960s led to a Government clampdown. Bingo was moved from the "harmless fun" league to join the other heavyweights. "In effect, it allied bingo with hard gambling," according to a spokesman for Mecca, Grand Metropolitan's subsidiary in this field. Now the club owners are trying to reverse this. A private Bill that started in the Lords, but died as a result of the election, may see the light again soon. The bingo world wants to be able to offer bigger prizes (the present limit is £2,500) and to indulge much more freely in promotion.

Bingo's audience is ageing, largely female, and declining—it is still, however, a considerable source of profits. In order to sustain those profits, and to stop the audience rot, companies are using various ploys.

Mecca reckons it has pulled in a younger set with such exercises as a competition to find Britain's most compatible engaged couple—there were 5,000 entries and the winners received a free house, a house in Tenerife and a wedding reception, in London.

Over the next few months Mecca will be spending £750,000 on another promotion which involves sending mail shots to 1m people. The enticements offered range from Ford Fiestas to holidays in Hawaii. It should be stressed that prizes like this are not won through bingo—big prizes can, at the moment, only be won on free competitions, which is how the popular daily newspapers got round the rules.

Ladbroke reckons that newspaper bingo has somehow helped the business "although at first we did expect the worst." It has doubts about Mecca's bid for the younger market and has concentrated on retaining the patronage of the middle-aged and elderly. A large slice of this effort has gone into the promotion of afternoon bingo sessions instead of evening ones. "Some people do not like going out in the evenings now," says Ladbroke, suggesting that its market is exactly the one that is most affected by the threat of street violence.

Whether the customers of the casinos are made of stronger stuff or not, it certainly looks at the moment as if they are enjoying something of a comeback. 1981 and 1982 were disasters in the wake of closures, scandal and a strong pound. Things look to be a lot rosier this year.

According to Mintel 1 per cent of the British population reckons to spend an appreciable amount of time gambling while 60 per cent say they spend no time at all. In the mid-1970s 1.05 per cent of all consumer spending in Britain went on some sort of flutter. Today that figure has dipped below 0.9 per cent. This year may prove to have been a good one for most areas of the betting business but, says Mintel: "In the longer term all forms of gambling will need to offer more if they are to compete for the leisure pound. The urge to gamble may be a basic human weakness which dedicated gamblers need to fulfil by any means, but the dedicated gambler is very much in the minority. . . . With many other calls on leisure time and disposable income, the gambling industry cannot afford to take its future too much for granted."

And do not, dear reader, think you are above this sort of thing. One of the obstacles to the gambling houses making a real penetration of the upper income groups of society is not the moral fibre of such folk—the back pages of the FT form the basis of yet another form book and the Stock Exchange is seen as just another giant betting shop.

'I've offended so many professions'

By Alison Hogan

CLIVE THORNTON, the bête noire of the Building Society Association, has adopted an uncharacteristically low profile after delivering his latest bombshell last week. To the surprise of all concerned, he gave notice that Abbey National, the UK's second largest building society, was to withdraw from the BSA cartel on interest rates.

It is not the first time in his four years as Abbey National's chief general manager that Thornton has turned up at the BSA council to announce a radical departure from normal practice: his decisions to reveal the contents of the building society's valuation reports on properties and the introduction of cheque book accounts are two earlier notable examples.

The late 1970s were a crucial period of change for the building societies. Between 1900 and 1974 only three new products had been introduced, and the range of services offered was largely limited to a share account and a regular savings account with either a repayment or an endowment-linked mortgage.

"For the past 20 years the markets were largely created for us," Mr Thornton explains. "Customers were readily available for home loans and there was no competition for savings. Things have changed. We now have competition from National Savings and the banks, and have to fight back."

Mr Thornton had been Abbey's solicitor since 1967 and was selected by the board as the man with the energy and the ability to take the society into the new era of competition. The board itself is unusually young by building society standards (average age 54) and drawn, with one exception, from outside the building society world.

Mr Thornton is by no means the only building society chief executive to have dreamt up new marketing ideas—but he has certainly won hands down on media coverage—and admits he has used the media to get things done inside and outside the organisation. For example, the existence of Abbey Granny Bonds was announced to the Press first, leaving Abbey staff with no alternative but to come up with the goods—fast.

"He is an uncomfortable person to work with, demanding and impatient," says one member of his staff. "He gives you full rein on a project, once approved," says another, "but then expects you to get on with it, quickly."


Ashley Ashwood

Mr Clive Thornton, chief general manager of the Abbey National Building Society

He exasperates, but he also disarms, his critics by being all too ready to admit his faults. "I've offended so many professions I'm not sure that there is anyone else left who would employ me," he says.

"I do put my staff under considerable strain but I say to them, one, you are fortunate to have a job, two, to have a job with an expanding company and three, a company that has a soul to it."

His unabashed aim is to make Abbey National "the biggest housing financial agency in the UK." He explains that this means "being more energetic and raising finance from both the wholesale and retail sector to provide all forms of housing services."

He wants Abbey to use its position to improve the quality of services to homeowners from estate agency to conveyancing, "rather as Marks & Spencer influences and improves the products its suppliers produce."

His views on conveyancing and estate agents have won him few friends in either profession. Solicitors baulk at his wish to simplify conveyancing. He would like a log book for every property containing all the information usually required prior to purchase.

And as for estate agents, he feels some do little more than pay for the insertion of an advertisement in a newspaper and would like to establish a set of standards.

Mr Thornton is emphatic that "we cannot have a monopoly on mortgage lending without having a concern for housing." He feels building societies could fill a gap between public and private sector stock by building housing and charging an economic rent to achieve an adequate return on capital employed.

Abbey has already, through its housing association, built more than 600 homes on sites at Tower Hamlets, Islington, Peterborough and Bermondsey with more planned. The society has also spent £200m on renovation and improvement schemes in inner cities.

BSA council members rejected Mr Thornton's request for a debate on housing saying that little would be achieved when agendas are already crowded, and, in any case, the issue had already been fully researched by the BSA.

"If there is one thing that Clive forgets" says a senior executive in a rival society "it is that building societies are different. Just as he is taking the Abbey National down certain paths, others may choose different ones, perhaps going into the area of insurance.

Mr Thornton has no intention of outstaying his welcome at the Abbey. "Perhaps I will get a second wind, but I feel it will soon be time to be turned out to grass," he says—a particularly apt comment as, when he finds time to escape from Abbey headquarters back to his home in Creeton, near Grantham, he likes "to mess around with my animals."

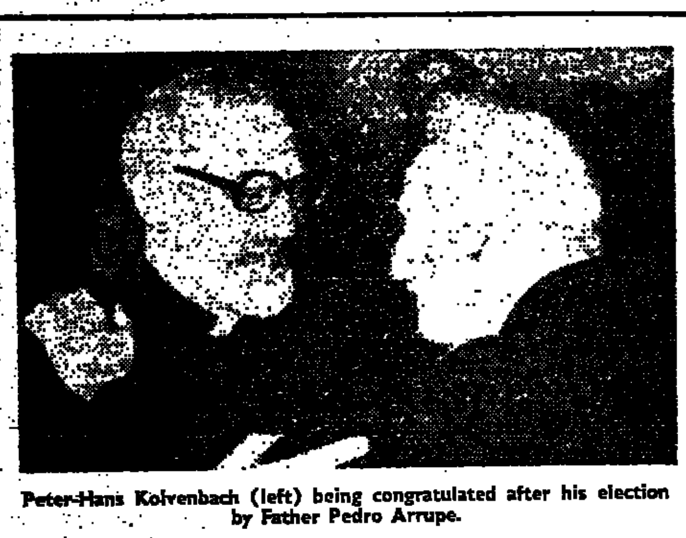
He is building up a pedigree herd of Devon cattle and has some 150 geese, ducks and hens running about his 30-acre retreat.

Thornton grows weary at times of the exhausting role of catalyst—but somehow it seems unlikely that he will retire to the country in the foreseeable future.

Weekend Brief

The new 'Black Pope' takes over in Rome

Can a rather frail, ascetic priest whose views on many things are uncertain even to his closest associates steer the Roman Catholic Church's most powerful religious order out of the difficulties it has been in for the past two years?


Peter-Hans Kolvenbach (left) being congratulated after his election by Father Pedro Arrupe.

The priest is Father Peter-Hans Kolvenbach, the 55-year-old Dutchman who was elected in Rome this week to be Superior General of the Jesuits. His election in the first ballot by the General Congregation of the Order has caused relief at the apparently uncontentious choice of an outsider, but some perplexity as to what Father Kolvenbach's generalate will mean in practice.

The head of the Jesuits is often called the "Black" Pope, to distinguish him from the "White" Pope in the Vatican. Pope John Paul II has resented the power and independence in the field of the 26,000 Jesuits, considering them often too closely involved in politics and social work and not enough in education and the promulgation of the doctrine of the Church.

Members of the Jesuit Order, who are renowned for their high intelligence and erudition, operate all over the world. But they particularly offended the Pope in Central America where Rome's authority has been under threat. Here, the Pope felt, the Jesuits' humanitarian sympathy for left-wing anti-government guerrillas went too far.

This sympathy was particularly obvious under the octogenarian Spanish Father Pedro Arrupe, the Jesuits' last Superior General. When he wanted to retire in 1981 after suffering a debilitating stroke, Pope John Paul prevented him from doing so and from choosing a temporary successor. Instead he put in his own elderly nominee as acting Superior General, supported by a deputy in his early 50s, Father Giuseppe Pittau, a Sardinian. The Pope told the Jesuits where he thought they were going wrong and reserved the right to decide when they should elect a fully-fledged successor to Father Arrupe.

Father Pittau was one of the possible candidates for the post of Superior General when the 220 electors began meeting two weeks ago. But to have chosen him may have seemed like subservience to the Pope rather than just the obedience to him to which they are committed.

Father Kolvenbach has devoted the last 25 years to the Middle East and to the catholics there who use the oriental as opposed to the Latin rite. He studied theology at the University of St Joseph in Beirut and later learnt languages, at European universities.

His gift for languages alone fits him well for the task of managing a world-wide order—he speaks Dutch, English, German, French, Russian, Italian, Spanish and Armenian.

New York stores carry the (empty) can

It's 3.25 am in Times Square, New York. You have 25 cents in your pocket and are dying for a cup of coffee. You stumble on two empty Coca Cola tins. Where can you cash them in at this time of the morning? Answer. Ring New York City Sanitation Department's Disposable Can "hot-line," otherwise known as the Office of Resource Recovery on 566-0922.

The Sanitation Department's "hot-line" has been busy since 12.01 am last Monday morning when the city's infamous "bottle law" took effect. After more than a decade of debate the environmentalists have finally won their way and every bottle or can of alcohol or soft drinks sold in New York now carries a 5 cents deposit which the customer can reclaim if the can is returned to the local supermarkets.

There are a few ground rules. Containers may be returned to any store that sells the same brand and size of container and dented cans can only be returned if they can stand on their base. The brand label must be visible on the can or bottle when it is returned.

For small children, tramps and the environmentally conscious of New York, the new law opens up all sorts of opportunities. But for the owners of New York's supermarkets amid neighbourhood grocery stores it is a nightmare as they await the return of the first of the 8bn cans and bottles a year consumed by New Yorkers.

Oliver Koppel, the Bronx politician, who led the fight for the bottle law, argues that the "time has come to end the dispose-it society." But for New York retailers the introduction of the new legislation is a disaster.

The New York Food Merchants Association did a time and motion study on what it costs to handle 8bn returned empty cans and bottles at its members supermarkets and local stores and reckoned that in 1980 the handling costs alone would be 3.3 cents a tin. Since then labour costs have risen more than a quarter so the association reckons that the bottle law is costing New Yorkers upwards of $400m a year.

Arabs and gold chandeliers in Milan

The purveyor of gold-plated chandeliers (sold to the Middle East at £35,000 a throw) looked down at the feet of the trendily-dressed male journalist sitting next to him, proudly clutching Press releases on the latest masterworks of Vico Magistretti, Ettore Sotsass and the many other lions of modern Italian design. "Surely you don't wear those red shoes to the *office* ?" he sneered incredulously.

This epic aesthetic clash, on a packed British Airways jet bumping its way over the Alps, mirrored many such exchanges on the hot pilgrimage to, from and around Milan this week, where the world's leading furniture and lighting trade fair was attracting crowds and controversy.

This annual display of high style will be familiar to any reader of glossy, coffee table magazines, or of the Sunday papers' magazine sections. But contrary to what one is led to believe, the fair proves in the flesh not just a place for trendies to admire the ingenuity of Magistretti in turning draped horse blankets into a cult for the entire world's makers of modern furniture, or the audacity of Sotsass and his team in breaking all the supposed rules of modern design with their eye-shattering "Memphis" patterns and objects.

Instead, it has an altogether more down-to-earth side. In the lighting pavilion, and even more so in the endless series of halls with their displays of furniture, avant-garde modern is heavily outnumbered by what might be termed *après-passé* ancient, almost all of it—depending on your personal inclinations, of course—fit for inclusion in the "bad" sections of the controversial "Taste" exhibition which opened this week at London's Boilerhouse gallery (see "How to Spend It," Page 13).

Jostling closely alongside the real design hits of this year's show — some remarkably insubstantial and technically imaginative lighting fixtures which use the new generation of fluorescent and high-intensity halogen lamps — were unending rows of the very chandeliers so favoured by the man on the BA plane: not just gold-plated, but silver too, and with massive piles of imitation cut-glass veritably dripping from the (false) ceiling.

It was the same on the furniture stands, which were filled with countless displays of imitation baroque chairs from the artisan-based family companies based around Florence, plus gleaming white-and-gold fake marble thrones and couches, mostly redolent of an opera-house version of a Roman orgy.

Or, of course of an Arabian night. This is fair enough, since according to their makers, these objects are mainly sold to the Middle East (though in some cases France was quoted as a close second).

This is the hard underbelly of the Milan Fair, where to judge from the relative profusion of grey-suited trade reps deep in hard-bargaining sessions, the really big business is done. Yet it is an image consciously shunned by the fair's organisers, who concentrate on trying to quench the insatiable thirst of the Press corps for annual proof that Italy still leads the world in pushing the frontiers of modern design. As in previous years, they succeeded. But they told only half the story.

Contributors:
James Buxton
William Hall
Christopher Lorenz

Conder plunges £5m in red as Iraqi losses spiral

HEAVY overseas losses have resulted in Conder International plunging into the red at the halfway stage. In the six months to June 30, 1983, this erector of steel-framed buildings incurred a pre-tax loss of £5.23m compared with profits of £432,000 in the corresponding period last year. Year-end losses were £638,000 against profits of £1.02m.

Mr R. T. Cole, the chairman, says there were losses of £5.8m on its overseas operations with much of this sustained in Iraq where operating conditions are "not getting any easier."

As a result of this, the company is incurring very heavy excess costs in completing contracts and it may not recover these costs, he adds. The company is having difficulty in obtaining payment for the contract value of work carried out.

It is, nevertheless, necessary for it to complete its work in Iraq and the board has made further substantial provisions for excess costs and for bad debts. The outcome, he says, is subject to continuing uncertainties.

UK operations made a profit of £600,000 during the six-month period, but these were reduced by further investment in new products and, as forecast, by further losses on M and E Building Services. Mr Cole says this company should be profitable next year.

No interim dividend is being paid compared with 1.5p—last year's only payment.

Group turnover was down from £48.89m to £45.43m, and there was a *trading loss of £5.23m* (£370,000 profit). There were no profits from associated companies compared with £62,000. Mr Cole says the accounting year of the South African associated companies has been changed and the results will be included in figures for six months to December 31, 1983. These companies continue to trade profitably.

There was an extraordinary debit of £150,000 (£27,000). The loss per 25p share after actual tax provision was 63.4p against earnings of 4.3p.

The balance sheet remains sound.

Looking ahead, Mr Cole says the company's UK buildings business, representing about 70 per cent of turnover, is profitable with a good order book, and the diversified interests are beginning to pay off. The board, therefore, expects the group to return to profitability in the second half.

The executives of Conder Buildings Overseas have left the group, and Mr W. C. Robinson has taken sole charge of operations in Iraq. Work is proceeding satisfactorily and all contracts should be completed (except for the maintenance period) by the end of this year.

● comment

The saga of the disappearing reserves at Conder took a vicious twist yesterday. The disastrous half time figures wiped two-thirds off distributable reserves leaving shareholders' funds down to £9m. The involvement with Iraq has proved a tragedy. In the last accounts there was a £2.5m loss on building contracts in Iraq and Nigeria. Substantial provisions had been made for foreseeable future losses shareholders were told. Now Conder tells them that most of this £5.8m deficit overseas is again down to Iraq. Sadly the directors do not tell shareholders how much more damage will be done before the year is out. These problems are not just about one large contract but a series of contracts taken over two or three years with various customers. Even with a sympathetic understanding of the region's difficulties, Conder's management seems to have lost the grasp of the operation. Indeed heads have been rolling. Five executives of the overseas operation are off the payroll. *Meantime there is threadbare comfort from news that the UK operation is making a small profit and the balance sheet is* "sound." The shares collapsed 17p to 35p, an all time low, for a market capitalisation of £2.7m. When the company was floated in 1979 (incidentally a peak year for profits) the price was 90p and has since been as high as 134p.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Conder Internl.	int.	nil	—	1.5	—	1.5
Blackwood Hodge	int.	nil	—	0.5	—	0.5
Breedon Lime	int.	3	Oct 28	2.63	—	8.63
Compco Holdings		3.6	—	3	3.6	3
Horace Cory	int.	0.6	Oct 29	0.6	—	1.4
Early's of Witney	int.	0.32	Nov 25	0.32	—	1.32
Epicure		1.35	Nov 2	1.13	2.13	2.01
Gripperrods		3.25	Nov 15	2.1	4.65	3.5
Jackson Explor.	int.	nil	—	0.5§	—	1.5§
Rowton Hotels	int.	3.15	Nov 1	3.15	—	7
Thomas Walker		0.6	Nov 5	0.54	0.77	0.71

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § In U.S. cents.

Blackwood Hodge loss hits £4.3m at halftime

HEAVY LOSSES have continued at Blackwood Hodge, the earth moving equipment and engineering group, and the directors are not paying an interim dividend for 1983 in view of the results and the lack of optimism in the short-term outlook.

In the first half of 1983 there has been a substantial cut in interest charges from £9.28m to £6.64m, but a loss of £4.33m was sustained. This compares with £4.84m in the second half of 1982 and a profit of £1.15m in the first half. Sales for the six months fell from £170.08m to £132.07m.

The directors can predict no substantial upturn in the near future in the construction and mining industries in the territories of operation.

They are continuing to cut back on operating and administration costs, and in the half year total liabilities were reduced by some £12m.

Such action, they say, will enable the company "to minimise losses until the hoped-for expansion in world trade becames a fact."

After tax £140,000 (£1.59m) and minority credits of £140,000 (£130,000), there is an attributable loss of £4.33m (£311,000), equal to 5.52p (0.45p) per share. In 1982 there was an interim dividend of 0.5p, but no final.

See Lex

Executex Clothes

The rationalisation and restructuring programmes undertaken by Executex Clothes, coupled with a new marketing policy, are now firmly showing their desired results, say the directors in their interim statement.

Turnover for the period to June 30 1983 increased by 24 per cent to £2m against £1.61m, and taxable profits rose from £79,100 to £152,000.

At the trading level profits were ahead nearly 28 per cent to £352,100 compared with £274,500. The pre-tax result was after depreciation £83,500 (£75,700) and interest £116,600 (£119,700).

The directors of this clothing manufacturer are reasonably confident that if present trends continue the company should, by the end of the year, be in a position to resume payment of a dividend. The last dividend was a 1.1213p final for 1980.

With the absence again of a tax charge earnings per 20p share moved ahead from 3.71p to 7.13p. The attributable surplus emerged at £106,800 (£1,900) after extraordinary debits of £45,200 (£77,200).

Thomas Walker

With second half taxable profits moving up from £32,438 to £83,350 full year results to June 30 1983 of Thomas Walker emerged more than trebled at £135,163 against £42,854.

The final dividend of this manufacturer of metal smallwares for the clothing industry is lifted from 0.542p to 0.6p for a higher total of 0.7675p (0.7095p) net.

Earnings per 5p share were down at 2.31p, compared with 3.75p, after a lower tax credit this time of £3,393, against £182,143, giving an attributable surplus of £138,556 (£224,997).

Turnover for the year was £1.85m (£1.49m).

Gripperrods

On turnover up from £15.04m to £15.42m, Gripperrods Holdings reports pre-tax profits up from £724,000 to £911,000 in the year to April 30 1983. The pre-tax figures included interest received, £82,000 against £1,000 paid last time, but was after an exceptional debit of £49,000. Tax for the year took £409,000 compared with £327,000. The exceptional debit refers to losses incurred as a result of the disposal of Cimco International.

The final dividend is raised from 2.1p to 3.25p for an increased total of 4.65p against 3.5p net. Stated earnings per 10p share rose from 15.88p to 20.08p.

Gripperrods manufactures and markets carpet underlay and laying fittings.

Early's of Witney

A first half taxable loss of £170,600 against £184,500 was incurred by Early's of Witney, maker of blankets, carpeting and carpet tiles.

Turnover for the first six months to July 29 1983 was £3.68m against £3.56m, and the pre-tax result was struck after higher interest of £60,200 compared with £49,300.

The directors say that trading conditions continue to be difficult but some improvement is foreseen for the second half.

The interim dividend is a same again 0.315p. Last year a final of 1p was paid. There was a tax credit for the half year period of £45,000 (£95,000), extraordinary debits took £20,500 (£23,500).

BIDS AND DEALS

A. G. Stanley announces merger with Jacoa

BY CHARLES BATCHELOR

A. G. Stanley, the Fads paints and wallpaper group, is to merge with Jacoa, best known for its Ripolin paints, in a deal which will create what is believed to be the largest home decorating chain with 420 stores throughout the UK.

Stanley, whose Stock Exchange listing was suspended on Thursday with its shares at 48p, has 220 stores, mostly in the South of England while Jacoa has 200 outlets, some trading under the Decor S banner, in the Midlands, the North of England and Scotland. Together the companies account for about 16 per cent of the home decorating market for paint and wallpaper. Stanley also has a wallpaper manufacturing plant at Holmes Chapel, Cheshire, while Jacoa makes paints at Southall, Middlesex.

Pre-tax profits of £493,000 on turnover of £27.68m were achieved by Stanley in the six months ended July 6, 1983, while Jacoa made a profit of £710,000 on turnover of £13.08m in the comparable period.

The two companies said they had been forced into a premature announcement of the proposed deal because of the Stanley share price movements which led to its Stock Exchange suspension. The merger is expected to be completed in four to five weeks' time.

Despite Jacoa's stronger performance in recent months the two companies said they would be equal partners in the new group.

Mr Gregory Stanley, a Stanley director, said: "We expect to have an equal number of directors on the board probably with one outside director in between.

"We have known for many years that it would make a lot of sense for the two businesses to get together but only recently has it come to fruition," he added.

Jacoa was formed when four directors of Ripolin, the British subsidiary of a French Government-owned group, staged a management buy-out two years ago. Stanley was one of the rival outside bidders for Ripolin at the time.

Since the takeover, led by Mr Philip Jeffrey, who is now chairman of Jacoa, it has expanded retail space by about 40 per cent and turnover by 60 per cent.

Both companies have concentrated their stores in the high street rather than on out-of-town locations, although Stanley has recently been siting new stores near city centre car parks.

Jefferson Smurfit $60m offering

BY WILLIAM HALL IN NEW YORK

Jefferson Smurfit, the Irish packaging group, is planning to raise some $60m through an initial public offering on the U.S. stock market of 25 per cent of the equity of its important U.S. subsidiary, Jefferson Smurfit Corporation.

Jefferson Smurfit has been involved in the U.S. since the 1970s, and its U.S. operation, which employs 6,500 people and has revenues of around $700m a year, is now larger than the European operations of the Jefferson Smurfit Group.

The company has made a number of acquisitions in the U.S. over the last few years and now ranks amongst the leading companies in certain sections of the U.S. packaging industry. It operates seven paperboard mills and 62 converting and other plants. It produces corrugated cartons, paper tubes and a whole array of packaging products.

Jefferson Smurfit Corp, which is based in Alton, Illinois, yesterday announced that it has filed a registration statement with the Securities and Exchange Commission for an initial public offering of 2.5m shares of its common stock. The company's prospectus indicates that the shares might be priced in the range of $23 to $27 per share.

Morgan Stanley and Co is managing the offering and will lead a nationwide group of underwriters.

Jefferson says that the principal purpose of the offering is to increase the company's equity base, reduce the company's debt and provide a public market for its common stock. It is rare for either UK or Irish companies to seek an initial public offering of their shares in the U.S., which is the equivalent of getting a full Stock Exchange listing, and Jefferson Smurfit is believed to be one of the first to follow this route.

Earlier this year, Telerate, in which the Exco money broking group has a majority stake, had an initial public offering in the U.S.

In common with other U.S. packaging companies, Jefferson Smurfit Corp has been affected by the recent recession and its net income in 1982 totalled less than $10m.

The U.S. group's net worth is $44m and after the share issue its debt gearing will be reduced to 55 per cent, according to a company spokesman.

Flextech's success—draws in over £162m

By Dominic Lawson

THE OFFER for sale of 4m shares in Flextech has drawn over £162m from would-be investors. The shares in the company, which invests in energy-related businesses, were offered at 140p each, and met with an oversubscription multiple of 29.

At the offer price Flextech would have been capitalised at £25m, but an appreciable premium now seems likely when dealings start on the USM on Wednesday.

Mr Neil Williamson, managing director of Investors in Industry Corporate Finance, which underwrote the issue, said yesterday: "We thought 140p a share was a good price. We'll never know whether the issue would have been a success at a higher price."

He added that the receiving bank's staff had been working until 2 am yesterday morning, sorting through applications.

Brokers to the issue were Cazenove.

The 1m shares reserved for employees and existing shareholders were applied for some six-fold. Applications for 200 to 4,000 shares received their allotment in full; 4,200 to 40,000 got 25 per cent (minimum 4,000); 41,000 to 100,000—17.5 per cent (minimum 10,000); over 100,000—10 per cent (minimum 17,500 and maximum 53,275).

Preferential applications in excess of the 1m allotted are being treated on the same basis as applications from the public. Applications for 200 to 1,000 shares take part in a weighted ballot for 100 shares; 1,200 to 10,000—weighted ballot for 200; 11,000 to 40,000—about 3 per cent; 41,000 to 100,000—about 2.3 per cent (minimum 1,200); over 100,000—around 2 per cent (minimum 2,500 and maximum 15,000).

Horace Cory

For the first six months of 1983 pre-tax profits of Horace Cory, chemical colour manufacturer, fell from £203,000 to £128,000.

Turnover was down at £1.6m against £1.62m and trading profits emerged £78,000 lower at £109,000.

Interest receivable added £19,000 (£16,000).

Net profits were £81,000 (£109,000), after tax of £47,000 (£94,000) giving earnings of 0.86p (1.16p). The interim dividend is held at 0.6p.

Last year pre-tax profits totalled £367,697, with £164,697 made in the second half, and a final of 0.8p was paid.

After interim dividend payments the retained surplus was down at £24,000 against £52,000.

Parkdale rights

Acceptances totalling 3,192,003 (95.9 per cent) have been received in respect of the 3,338,000 ordinary 10p shares offered by Parkdale Holdings in a recent one-for-one rights issue.

The remainder have been sold in the market, and the proceeds which amount to 2.3p per new ordinary share will be distributed to non-accepting shareholders. No payment will be made of an amount less than £2.

Cocksedge Holdings

The directors of Cocksedge Holdings announced on September 15 that they had decided that the company would be unable to recommend payment of an interim dividend on the 8pc cumulative preference shares.

Brunei costs hit Jackson Ex.

CONSIDERABLY higher expenses resulted in Jackson Exploration, Texas-based oil and gas explorer and producer, incurring a net deficit of US$13.23m (£8.81m) against a US$720,423 (£480,000) profit, for the six months to June 30, 1983. The interim dividend is being passed.

Revenue for the period expanded from $4.6m to $5.53m but expenses totalled $19.12m against $3.73m. Of the increase in expenses, some $7.81m was in respect of two unsuccessful wells offshore Brunei, and a provision of $4.83m was made against debt due from a U.S. limited partnership.

The net income result included a provision for deferred income tax of $358,737 (debit $140,000). The loss per share was 26.5 cents (earnings 1.8 cents).

In addition to drilling activities in South East Asia, the period saw a thorough reassessment of the U.S. activities. Traditional sources of outside capital for U.S. drilling have not been available and accordingly the company has reduced its staff and overheads involved with high risk exploration in the U.S.

In South East Asia the drilling of two wells was the major event of the period, and now completes the 1983 drilling programme on the Brunei acreage. The company is now interpreting the results, along with renewed analysis of other prospects and leads already identified. Depending upon conclusions, further seismic tests may be undertaken during 1984 prior to commencing the second drilling programme.

The directors say that the seismic programme in the Adang block, East Kalimantan, Indonesia was completed in August, and interpretation of these results is near completion.

In the U.S., during the second quarter, three wells were drilled. Two were successful development wells on the Sulphur Draw and Mayes prospects, but the third, an exploration well, was dry.

Also, during the period, a review was made of the company's undrilled prospects. As a result eight prospects, containing 2,612 acres, were sold and three prospects, containing 1,306 acres, were abandoned. A total of $340,000 was written off in respect of these prospects. As at June 30 the company retained four undrilled prospects covering 4,311 acres.

Powell Duffryn expands fuel distribution

Powell Duffryn has acquired the capitals of J. P. Bevan & Son (Fuels), J. P. Bevan & Son (Brockweir) and Pearson Oils. They are oil distribution businesses and serve the domestic, commercial and automotive markets in Gloucestershire and the surrounding area.

Total consideration is £450,000 (reflecting aggregate net asset values) satisfied by the issue of 180,000 Powell Duffryn ordinary shares. These shares have been admitted to the Official List.

CANAL RANDOLPH

A group including the former chairman Sir Walter Salomon and UK-based Rea Brothers has lowered its stake in the Canal-Randolph Corporation from 28.2 per cent to 26.6 per cent of the common shares.

The group said that 6,855 Canal-Randolph common shares were sold between June 20 and August 26 at prices ranging from US$68.75 to US$76.375 per share on the open market.

As a result of the sales the group said it now holds 410,086 Canal-Randolph common shares.

The group has indicated that it may sell all or a substantial part of its holding in the company.

JH Sankey to become wholly owned by NCB

A FINANCIAL reconstruction of builders merchant J. H. Sankey, in which interests of the National Coal Board have a 60 per cent shareholding, is to take place to enable Sankey to continue its business.

After discussions between Sankey and its two shareholders, NCB (Ancillaries) — wholly owned by the National Coal Board—is to increase its stake in Sankey from 60 per cent to 100 per cent by acquiring the 40 per cent holding of St Regis International and to make additional finance available to the company.

According to the National Coal Board there has been considerable improvement in the trading results of Sankey and the company proposes to take all the necessary steps in order to continue the progress shown over the past 18 months.

Meanwhile shareholders have accepted the view of their professional financial advisers that it is not an appropriate time to sell the company.

SHARE STAKES

St Andrews Trust — The Ecclesiastical Insurance Office has acquired a further 280,000 ordinary shares and now holds 3,330,380 (29.07 per cent).

Micro Business Systems—Mr W. S. C. Richards and Mr M. J. Brooke, directors, have each sold 100,000 ordinary shares at 479½p per share.

Senior Engineering Group—Following the purchase of 353,000 shares, Britannic Assurance is interested in 6,200,000 ordinary shares.

Mercury Securities—Following the sale of 22,719 shares, the non-beneficial interests of directors Lord Rol, D. G. Scholey and Viscount Garmoyle are 750,141, 755,141 and 750,141 respectively.

Atkins Brothers (Hosiery)—Seaforth Investments, a Gibraltarian company, holds 400,000 ordinary shares representing 12.50 per cent.

Edward Jones Group—Panther Securities has disposed of 215,000 ordinary and no longer has a notifiable interest.

Stewart Wrightson Holdings—Prudential Corporation is now interested in less than 5 per cent of the ordinary shares.

Bertam pushes ahead to £560,000

Profits of Bertam Holdings, the Malaysian plantations group, have risen from an adjusted £391,734 to £560,453 for the year ended March 31 1983, subject to tax of £203,266 (£203,471).

There has been a change in the treatment of gains and losses on exchange. Comparisons for 1982 have been adjusted and have led to a reduction of £56,708 in the published trading profit and of £11,879 in associates profits. For 1983 trading profit came to £452,093 (£296,187) and associates share to £108,360 (£95,547).

Taking in an extraordinary credit of £875,659 (£278,041), being mainly land disposal profit, and transferring an additional £44,105 (£40,000) to replanting provision, brings the available profit up to £1.19m (£426,304). Earnings are shown at 1.79p (0.94p) net.

Christy picks up

A near break-even position has been reached by Christy Bros. in its second half. This restricts the year ended June 30 1983 to £210,000 (compared with £57,000) after £202,000 in the first half.

The group, mechanical and electrical engineer, continued to face difficult trading conditions during the year. Turnover fell from £3.41m to £3.02m.

Extraordinary debits take £44,000 (£30,000) and losses are shown at 10.6p (2p) per share.

Rowton Hotels suffers further fall halfway

A FURTHER fall in interim profits was suffered by Rowton Hotels in the six months to June 30 1983.

With turnover for the period virtually static at £3.06m against £3.03m profits at the pre-tax level fell from £265,000 to £175,000.

Rowton's profits have been in decline since the peak £1.42m achieved in 1979. Last year profits totalled £412,213 (£668,776) with turnover at £6.11m (£5.84m).

The interim dividend, however, is maintained at 3.15p per 25p share. Last year's dividend total was unchanged at 7p with a same again final of 3.85p.

The chairman says that sales of the hostels is proceeding. Parkview House, Birmingham, was sold in August for £440,000.

He says that there has been some recovery in hotel occupancy. However after taking into account a proportion of central costs the hotels division is still trading at a loss. The directors are undertaking a thorough review of this operation, and until this is complete they will defer major capital expenditure and any plans for expansion.

Trading profits from hotels fell from £33,000 to £28,000, and hostels were £274,000 against £307,000. The pre-tax result was after central costs £190,000 (£168,000), debenture interest £32,000 (same), but included net rents, interest and dividends receivable £54,000 (£61,000) and non-trading profits £43,000 (£66,000).

Record £888,000 from Breedon Lime at midway

RECORD HALF year figures are announced by Breedon and Cloud Hill Lime Works, with the profit for theperiod to July 31 1983 rising from £602,000 to £888,000. The directors are promising a higher dividend for the year.

The interim is raised from 2.63p to 3p per share. Then there is to be a one-for-four scrip issue, and on the increased capital the forecast is for a final dividend of not less than 4.8p. On the present capital this would equal a maintained 6p final.

The performance in the first half gives an indication of the company's potential, the directors state, provided the economic recovery continues (with increased spending on construction and road maintenance) and if the company is able to hold the present rate of improvement to its trading margins.

Turnover in thep eriod was up from £1.88m to £2.54m. After tax £417,000 (£239,000) the net profit came out at £471,000 (£383,000) for earnings of 9.69p (7.47p).

Results due next week

BAT Industries interim profits, to be announced on Wednesday, should be in the region of £340m-£350m, analysts believe. aLst time around the company turned in £326m. The main feature of BAT's performance this year has been the strong performance from all of its non tobacco interests. In particular its U.S. retailing arm is thought to have put on volume gains of about 8 per cent. Tobacco interests have been hit in the U.S. and Germany by very heavy duty increases, with consequent diminution in sales volume. Relative to the comparable period, the currency swings have been a slight benefit, with the improvement of the dollar being countered by the considerable depreciation of the Brazilian cruzeiro. For the year as a whole it is thought that BAT could make about £890m pre-tax, as against 1982's figure of £856m. Following the company's statement that it would increase the dividend ahead of the rate of inflation a total net payout of about 7½p is expected.

With the exchange rate adjustments playing such an important part in the final profit figure at mining group RTZ, forecasts tend to involve a little more guess work than usual. One thing is certain: RTZ has made a robust recovery from last year's £29m net attributable profit at the interim and should come in around the £80m mark for the six months to June when figures are revealed on Wednesday. U.S. Borax is enjoying a strong level of demand and a significant increase in the contribution from CRA is expected. A slight increase in the interim dividend—perhaps up ½p to 6p net per share—is expected with around 17.5p net for the year.

Chocolate confectionery sales have risen this year and Rowntre Mackintosh with about 60 per cent of trading profit from this source is likely to show an increase in pre-tax profits for the six months to June as a result. The market looks for around £16m compared with £13.7m last year. The new look Aero has sold well and Riley's crisps will chip in with a useful contribution. Benefits from the purchase of Laura Secord in Canada and Tom's in the U.S. will be stronger in the second half to make profits for the year of £60m. A dividend increase from 2.9 to 3.2p net is expected next Thursday.

Vickers are expected to make £8m pre-tax for the six months to June, down from £10.2m last year. Untypically, the company is expected to perform better in the second half with sales of Rolls Royce picking up after a dull first quarter and a number of defence contracts due for completion. The Howson lithographic plate plant has overcome restructuring pains and is making a strong contribution. Dividends, cut by a third last year, are expected to be maintained for the year. Recent merger talks in Australia are a promising sign that Vickers is taking action to dispose of surplus assets.

The market is looking for £13m-£13.5m in the way of pre-tax profits from Fisons, when the company reveals its interim figures on Monday. In the first half of 1982 Fisons made £9m pre-tax. The biggest advances are thought to have come from the scientific equipment and agriculture divisions. The pharmaceutical side might, unusually, turn in more profits in the second half of the year. Its first half was hampered by the very wet early summer which adversely affected sales of hay fever drugs. In the year as a whole, pharmaceuticals should make about £24m at the trading level, as against £19.4m. Total pre-tax profits are expected to be about £30m, which would represent a 42 per cent increase on 1982's figure of £21m. A 1p hike in the interim dividend to 6p is forecast in some quarters.

Other results due next week include interim figures from Tarmac on Monday, and those of Bank of Scotland and Kleinwort Benson Lonsdale on Tuesday. Also on Tuesday Barratt Developments and Dalgety will be reporting preliminary results. RMC Group and Laporte Industries will both be announcing half year figures on Wednesday. On Thursday Steetley will be reporting interim results, to be followed by BL on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Armstrong Equipment	Wednesday	0.35	—	—
Baillie Gifford Japan Trust	Tuesday	—	0.4	—
Barratt Developments	Tuesday	1.75	4.425	2.1
Blue Bird Confectionery Holdings	Monday	1.45	3.12	1.45
Dalgety	Tuesday	11.0	11.0	11.0
Elders IXL	Tuesday†	4.66667	10.0	5.0
Ferry Pickering Group	Wednesday	0.909	1.631	0.909
Industrial Finance and Invest. Corpn.	Tuesday	—	0.75	—
Kalamazoo	Wednesday	0.63	1.67	0.63
Maynards	Friday	3.125	6.625	3.125
Minerals and Resources Corpn.	Tuesday‡	6.0	16.0	6.0
Mucklow, A. and J., Group	Thursday	2.0	2.25	2.1
Regentcrest	Thursday	—	—	—
Sheafbank Property Trust	Wednesday	—	—	—
United Real Property Trust	Tuesday	1.25	4.75	1.5
Worthington, A. J. Holdings	Monday	0.38	0.38	—
INTERIM DIVIDENDS				
A.C. Cars	Friday	—	—	
Astbury and Madeley (Holdings)	Thursday	1.25	3.75	
AF Industrial Products	Wednesday	—	0.1	
Bank of Scotland	Tuesday	10.5	13.5	
Barker and Dobson Group	Friday	—	—	
Bat Industries	Wednesday	3.125	3.75	
Beatson Clark	Monday	3.3	6.7	
Bilurcated Engineering	Monday	—	—	
BL	Friday	45.2	—	
Boase Massimi Pollitt	Tuesday	—	—	
Cusains Property Group	Tuesday	2.0	3.1	
Dares Estates	Tuesday	0.5	0.75	
Dinkie Heel	Friday	0.15	0.25	
Fisons	Monday	5.0	7.5	
General Investors and Trustees	Thursday	1.25	2.4	
Hall Engineering	Friday	3.41	4.2	
Jove Investment Trust	Wednesday	2.0	2.3	
Julliana's Holdings	Tuesday	—	—	
Kleinwort, Benson, Lonsdale	Tuesday	3.0	6.0	
Laporte Industries	Wednesday	3.5	5.25	
Liberty	Friday	0.4	2.8	
London and Scottish Marine Oil	Friday	4.5	6.5	
Lovell, G. F.	Monday	—	2.0	
Mackay, Hugh	Wednesday	1.4	2.6	
Macallan-Glenlivet	Friday	2.25	4.9	
Maclellan, P. and W.	Wednesday	0.5	1.0	
Memec	Thursday	1.1	2.2	
Menzies, John	Thursday	1.6	3.4	
Morrison, William, Supermarkets	Thursday	0.45	1.15	
Newarthill	Thursday	—	9.0	
Owen Owen	Wednesday	1.0	2.0	
Ransomes Sims and Jefferies	Monday	3.14	8.96	
Renown Incorporated	Monday‡	—	12.5	
Rio Tinto-Zinc Corporation	Wednesday	5.5	10.5	
RMC Group	Wednesday	3.7	6.5	
Rosedimond Investment Trust	Tuesday	3.7	3.4	
Rowntree Mackintosh	Thursday	2.9	5.5	
Sandhurst Marketing	Thursday	0.42667	0.83533	
Solicitors' Law Stationery Society	Tuesday	—	—	
Steetley	Thursday	4.0	3.0	
Tarmac	Monday	3.2	7.8	
United States Debenture Corporation	Tuesday	2.25	4.27	
Vickers	Thursday	4.55	3.45	
Whatman Reeve Angel	Thursday	2.2	3.8	
Wills, George and Sons (Holdings)	Thursday	2.5	5.5	

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † In cents. ‡ In Yen.

BP minimum tender price fixed at 405p

UNDERWRITING HAS been completed in respect of the offer for sale by tender on behalf of the Government of 130m ordinary 25p shares of the British Petroleum Company. The minimum tender price will be £4.05 per share, £2 will be payable on application and the balance by January 11 1984.

The offer will reduce the Government's holding in the BP ordinary capital from 38.85 per cent to 31.73 per cent. It has no plans at this stage to sell any more of its present holding and will not do so in the next two years.

Underwriters are S. G. Warburg, Robert Fleming, Kleinwort Benson, Lazard Brothers, Morgan Grenfell, and J. Henry Schroder Wagg. Brokers are Mullens, Scrimgeour Kemp-Gee, Hoare Govett, Cazenove, and Rowe and Pitman.

Application lists will open and close on September 23, and applications must be for a minimum of 100 shares. All shares will be sold at the same price (the striking price) which will be not less than the minimum tender price, but may be higher.

A person applying for up to 1,000 shares may make either a tender application or a striking price application. A tender application means an application at the minimum tender price or at any higher tender price per share which is a whole multiple of 1p. A striking price application means an application under which the application does not have to decide at what price he should tender but will be deemed to have tendered at the striking price.

A person applying for more than 1,000 shares must make a tender application. Tender applications at prices above the striking price and striking price application will be eligible for preferential consideration.

It is expected that the striking price and the basis of allication will be announced on September 26. Dealings are expected to commence in partly-paid form shortly after. Letters of acceptance will be despatched as soon as practicable: dealings prior to receipt of letters of acceptance will be at applicants' risk.

Prospectuses and application forms will be published in newspapers tomorrow and Monday, and will be available from Monday at banks, post offices, etc.

Special application forms are being made available to employees of BP and its UK subsidiaries and any such employee may apply on that form for 100, 150, 200 or 250 shares at the striking price. Such applications will be accepted in full.

There will be no separate offer in North America, but U.S. nationals and residents are not prohibited from making applications provided they obtain a copy of the U.S. prospectus and give the declaration required of all applicants.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Mr Jim Raper resolved his differences with the Takeover Panel and said that he would now make a full bid at 35½p per share for the outstanding shares in Westminster Property. The bid is to be made through Milbury, a subsidiary of St. Piran, a tin mining and housebuilding group controversially acquired by Mr Raper in 1980. Now that Mr Raper has agreed to bid, the Takeover Panel is revoking the order preventing stockbrokers from dealing with Mr Raper and St. Piran. The Westminster board have welcomed the proposed offer.

Crystalate Holdings launched a £20m bid for Royal Worcester, the china and electronics group, but the offer was rejected as unacceptable. Crystalate is offering 19 of its own shares plus £16 nominal of 8¼ per cent convertible unsecured loan stock for every 16 Royal Worcester shares, valuing the latter at 292p per share. There is no cash alternative and the offer is not underwritten. Royal Worcester is expected to concentrate its defence on these two points. The bid is aimed primarily at Royal Worcester's large Welwyn Electronics subsidiary and could, if successful, lead to the company's ceramics businesses being sold or floated off on the Stock Exchange. Royal Worcester's shares jumped 40p on the news to a 1983 peak of 315p.

Mr Alfred Taubman, the American multi-millionaire property developer received the expected clearance on Wednesday from the Monopolies Commission to bid for Sotheby's, the London art auctioneers, and a £7 per share bid worth £82.8m. Bid is expected to be made on Monday. This will be made once Mr Taubman has completed the purchase of the 29.9 per cent stake built up by the original bidders, Mr Marshall Cogan and Mr Stephen Swid to add to the 14.99 per cent he already owns or has options on.

Tecalemit received an offer worth around £15m from mechanical engineering group Siebe Gorman on Thursday. Terms of the offer are five Siebe ordinary shares for every 40 Tecalemit ordinary. An alternative offer comprising three Siebe shares and 700p in cash for every 40 Tecalemit has also been made. Tecalemit is considering the offer.

Wheeler's Restaurants made strong progress in a thin market on an approach to six family trusts for a controlling interest in the shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Baraoora	213	200	150	3.07	Finlay (James)
Benn Bros¶	266	206	185	17.84	Extel
Branon	60*	58	58	1.84	Taddale
Drake and Scull	118§§	113	85	21.61	Simon Engineerg
Globe & Phoenix	70*	70	60	0.62	African Lakes
Hawkins & Tmpsn	35*§	39	38	2.13	Evered
Huntleigh	220	218	203	31.60	Flight Refuelling
Illngwth Mrrs Ord	14¾*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10¾*§	12	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300††	80	1.02	Wasskon
Ins Cpn of Ireland	270§	268	224	I£5.65	Allied Irish
KCA Drilling	37*§	36	38	29.6	Rosshold
Pennine Res	30½*	31	26	3.96	Ivorbeam
Royal Worcester	283	320	275	19.15	Crystalate
Spring Grove	50*	44	48	16.58	Pritchard Services
Spring Grove	70½	44	43	23.38	Sunlight Serv
Sunlight Serv	257	235	192	31.14	Brengreen Hldgs
Tecalemit	43¾	46	29	14.96	Siebe Gorman
Telfos	40*§	42	38	2.08	Plantan., Gen. Invs
UBM Group	105§§	117	99	61.56	Norcros
Westminster Prop	35½*§	32	32	9.85	Milbury
Whittingh'm (W.)	130*	120	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 16/9/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Breville Europe	June	1,120	(3,530)	4.3	(11.3)	3.5	(4.9)
Celtic Haven	March	117	(403)	3.5	(6.1)	0.75	(0.75)
Chmbrs & Fargus	July†	102	(109)	2.6	(4.8)	0.75	(1.25)
Douglas, Robert	March	3	(1,750)	—	(6.6)	1.75	(3.5)
Dowding & Mills	June	1,950	(1,650)	4.6	(3.4)	2.15	(1.87)
EPIC	April	1,580	(1,510)	8.3	(8.0)	8.0	(7.5)
Fleet Holdings	June	9,530	(2,473)	14.6	(4.6)	2.25	(1.0)
Haynes Pblshng	May	1,120	(893)	—	(—)	11.0	(9.25)
Imry Prprty Hlds	March	1,890	(1,570)	6.7	(5.4)	4.3	(3.6)
London Mrch Sec	March	7,860	(9,970)	3.1	(4.0)	1.55	(1.3)
London Shop Prop	April	4,720	(3,420)	9.4	(8.9)	5.75	(4.25)
Scholes, George	June	4,630	(3,110)	—	(—)	17.0	(13.3)
Sirdar	June	4,280	(3,250)	20.2	(16.5)	5.05	(4.1)
Staffordshire Pot	June	117	(980)L	—	(—)	0.01	(0.01)
Telefusion	April	4,260	(3,750)	6.1	(5.7)	1.95	(1.75)
Trafford Park Est.	June	1,220	(1,080)	14.9	(13.7)	9.25	(8.25)

INTERIM STATEMENTS.

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aircall	June	638	(353)	1.85	(1.85)
Airsprung Group	June	627	(152)	2.4	(1.0)
AMEC	June	10,300	(6,700)	3.5	(2.5)
Anglo-Indonesian	June	536	(18)	1.0	(—)
Ass. British Ports	June	6,800	(1,500)	3.0	(—)
Assocd Leisure	July	3,670	(—)	1.6	(1.33)
Baird, William	June	3,550	(2,740)	6.3	(5.6)
Banro Industries	June	101	(324)	0.58	(0.58)
Barrow Hepburn	June	520	(409)	0.8	(0.8)
Bemrose Corpn	July	1,150	(1,030)	4.4	(4.0)
Blockleys	June	307	(277)	2.75	(2.5)
Boddingtons' Brew	June	4,060	(3,623)	1.14	(1.05)
Booker McConnell	June	4,850	(4,410)	1.65	(1.5)
Bowater	June	24,600	(32,400)	3.5	(4.25)
Brammall, C. D.	June	1,270	(1,050)	2.35	(2.05)
British Aerospace	June	36,500	(37,300)	3.5	(3.25)
British Mohair	June	1,810	(803)	1.15	(0.96)
British Vita	June	1,570	(1,410)	2.9	(2.7)
Brixton Estates	June	3,730	(3,320)	1.9	(1.7)
BTR	June	58,300	(48,700)	6.0	(4.75)
Burmah Oil	June	31,300	(30,300)	3.5	(1.5)
Cakebread Robey	June	354	(278)	0.8	(0.6)
Canning, W.	June	753	(165)	0.5	(0.25)
Carlton Industs	June	4,640	(2,110)	2.5	(1.5)
Charterhouse Pet	June	4,960	(5,940)	0.25	(0.25)
Clay, Richard	July	521	(279)	1.3	(1.0)
Costain Group	June	16,250	(22,360)	5.5	(5.0)
Danish Bacon	Aug‡‡	671	(215)	—	(—)
Eagle Star	June	34,900	(24,000)	8.0	(7.0)
Edmond Holdings	June	292	(334)L	0.33	(—)
Emray	June	202	(68)	0.25	(—)
European Ferries	June	8,900	(3,900)	1.1	(1.0)
Expamet	June	1,180	(930)	2.0	(2.0)
Farmer, S. W.	June	255	(457)	3.1	(3.1)
First Co-op Fin	July	82L	(1,720)L	—	(—)
Fisher, James	June	2,900	(1,510)	1.4	(1.33)
Garner Booth	July	934	(24)	2.65	(2.4)
Hartons	June	512	(100)	0.28	(—)
Hayters	March	249	(470)	1.88	(1.88)
Hestair	July	1,310	(916)	1.5	(1.25)
Hewitt, J.	June	360	(92)	0.6	(0.45)
Home Charm	June	2,920	(1,220)	0.75	(0.28)
Home Cnties Nws	July	134	(165)	1.75	(1.75)
Hyman, I. & J.	June	539	(18)	2.48	(0.18)
Invergordon Dist	June	1,840	(1,740)	1.5	(1.5)
I of Man Steam	June	657L	(1,190)L	—	(—)
Jones & Shipman	June	643	(497)	—	(0.4)
JSD Computers	June	103	(112)	0.6	(0.6)
Laird Group	June	9,520	(9,310)	2.2	(2.1)
Legal & General	June	22,500	(12,800)	6.0	(4.5)
Lewis, John	June	25,400	(15,700)	—	(—)
Liverpool Daily	June	2,300	(1,850)	3.9	(3.7)
London Utd Inv	June	2,120	(1,940)	5.0	(5.0)
Low & Bonar	May	2,160	(64)	3.0	(2.0)
Lyon & Lyon	June	144	(148)	1.5	(1.5)
Magnolia Group	June	330	(311)	0.6	(0.6)
Marchwell	April	6,200	(4,320)	3.0	(0.3)
Matthews, Bernrd	July	2,820	(1,820)	2.5	(2.2)
Mclaughlin & Harv	June	690	(644)	2.0	(1.8)
Mersey Docks	June	3,600	(3,500)L	—	(—)
Minty	July	120	(72)L	2.0	(2.0)
Mysons	June	1,020	(523)	—	(—)
New Equipment	April	215	(258)	0.35	(0.35)
Oliver, George	June	29	(68)L	1.45	(1.32)
Oriflame	June††	3,560	(3,600)	21.0	(20.0)
Pearson, S.	June	27,200	(20,200)	5.0	(3.75)
Perry, Harold (M	June	2,020	(1,580)	1.5	(1.5)
Petrocon	June	263	(605)	1.25	(1.25)
Quick, H. & J.	June	289	(110)L	0.53	(0.53)
Richards (Leic.)	July	3	(94)L	1.0	(1.0)
Ryan Internationa	June	542	(340)	—	(—)
Sale Tilney	May	1,910	(1,810)	4.25	(3.75)
Scottish Ice Rink	March	30	(38)	—	(—)
Sharna Ware	June	71	(40)	0.9	(0.9)
Spencer, George	July	422L	(371)L	0.1	(0.1)
Stag Furniture	July	1,040	(553)	1.75	(1.75)
Systems Desgnrs	June	648	(451)	0.8	(—)
TV Services Intl	June	153	(—)	—	(—)
Tharsis	June	235	(154)	2.0	(—)
Tilling, Thomas	June	9,400	(1,200)	—	(3.5)
Turner & Newall	June	16,100	(13,600)	0.25	(0.25)
Twinlock	Aug	918	(492)	0.6	(0.4)
United Biscuits	July‡	34,500	(25,600)	2.7	(2.25)
Willis Faber	June	23,170	(17,010)	6.0	(5.0)
Wolstnhme Rink	June	601	(611)	2.5	(2.5)
Wood, Arthur	June	162	(51)L	—	(—)
Woolworth	July	1,760L	(18,370)L	2.0	(—)
WW Group	June	268	(122)	1.94	(1.94)
Yule Catto	June	3,530	(2,490)	1.5	(1.0)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † 53 weeks. ‡ 28 weeks. †† In cents. ‡‡ 32 weeks. L Loss.

Rights Issues

Anglo-Indonesian Corporation—To approximately £1.06m by rights issue of 1,250,828 shares at 92p per share. Shares offered on basis of 1 for 5 to ordinary shareholders and 1 for 4 to convertible preference holders.

Associated Paper Industries—1 for 4 rights issue to raise £2.87m before expenses. Shares 80p each.

CH Industrials—3 for 8 rights issue to raise £1m.

Scrip Issues

Associated Leisure—1 for 2 scrip issue.

BTR—1 for 2 scrip issue.

Offers for sale, placings and introductions

A. and M. Hire raising £500,000 through placing of 11.37 per cent of its capital on USM. Have placed 5m new 10p shares at par.

Flextech coming to USM by way of an offer for sale of 4m shares at 140p each.

Freshbake Foods Group coming to USM by way of a placing of 4,215,160 shares at 60p each.

APPOINTMENTS

Sir Arnold Hall to join Rolls-Royce board

Sir Arnold Hall, chairman of the Hawker Siddeley Group, is to become a non-executive director of ROLLS-ROYCE from October 1.

Sir Arnold was chairman of Hawker Siddeley Aviation, part of the Hawker Siddeley Group, before HSA was nationalised by the Labour Government some time ago to help form British Aerospace (which itself has subsequently been partially denationalised).

Rolls-Royce feels that Sir Arnold's wide experience of industry in general and of aerospace in particular will be of great value.

Other top-level R-R changes announced yesterday include the retirement of Mr D. J. Pepper from the vice-chairmanship and from the board. He will continue as a part-time consultant and adviser to the chairman.

Mr J. D. Wragg has been appointed an executive board member of Rolls-Royce from January 1 next. He will succeed Mr Alan Newton as director, corporate engineering, later in the New Year. Prior to that post, Mr Wragg will take up a post in the corporate engineering group on October 3, reporting to Mr Newton.

MICHAEL DONNE

★

Mr Robert F. Gurnee has been elected chairman of the company and Mr R. Ben Skelton is the new chairman of the audit committee of SEARS OVERSEAS FINANCE, London. The company is a wholly-owned finance subsidiary of Sears Roebuck and Co.

★

RENOLD has appointed as a director Mr Brian Parker Thompson, who joined the company in June.

★

SKIPTON BUILDING SOCIETY has appointed Mr Terence Adams as general manager designate in succession to Mr Harry Taylforth, who will be retiring at the end of the year. Mr Adams is at present assistant general manager (development) of Cheltenham and Gloucester Building Society. He wil be joining the Skipton in October, and takes over the duties of general manager on January 1 1984.

★

STONE MANGANESE MARINE, a member of Langham Industries Group, has appointed Mr J. R. Wilson to the board as a non-executive director. Jim Wilson has recently been appointed managing director of the general engineering division of British Shipbuilders prior to which he was the managing director of Stone Vickers.

★

Mr David McMenamin and Mr Robert Place have been promoted to vice-presidents in the London branch of CONTINENTAL ILLINOIS National Bank and Trust Company of Chicago. Mr McMenamin, who joined Continental in 1973, manages the foreign exchange departments for the bank. Mr Place, who works in the construction/engineering division of special industries services, joined Continental in 1977.

★

Mr David S. Clark has been appointed chief executive of EMPLOYMENT CONDITIONS ABROAD from October 1. He was a divisional director of Stadium and prior to that spent 20 years with the Chloride Group, much of that overseas in Africa and South East Asia, ending as managing director of Chloride Automotive Batteries (UK).

★

Ms Eleanor Bursk has been appointed deputy managing director-administration of the TAYLOR HARRISON GROUP which includes Meter-Ads, Point-of-Sale Advertising and Call-Point Advertising. She was formerly on the board of Meter-Ads.

★

SERVICEGUIDE, handling and marketing services support company owned by the Masterguide Group, has appointed Mr Tony Bull as sales and marketing director. He was a director of the Edman Group, and has been managing director of its handling company, Eros Mailing Co.

★

Mr Adrian Munsey has joined the board of TELEVISION SERVICES INTERNATIONAL as a result of the acquisition of Adrian Munsey Productions.

★

LYLE OFFSHORE GROUP has appointed Mr A. W. Sinclair as group managing director and chief executive in succession to Mr T. Highlands who has left the group. Mr Sinclair was formerly group finance director. Mr R. Y. Smith has resigned as a non-executive director.

★

BRITISH AIRWAYS HELICOPTERS has appointed Captain Michael Evans, a board member, as director of northern operations. Captain Evans, who has headed the company's flight operations department since 1976, returns from Gatwick headquarters to Aberdeen to take up his new role. Captain Stewart Birt takes over as flight operations manager and will move to Gatwick. Mr Robin Zingel, manager of the Aberdeen base since 1980, becomes commercial manager northern operations, Mr Hayden Barrett, becomes manager at Aberdeen after three years in a similar position at Sumburgh where he is succeeded by Captain Alan Veale.

★

Mr David H. Gulliver has been appointed to the board of ELLIOT SIMONE ASSOCIATES, Windsor. He was with Godwins.

★

Mr David McClure Fisher has been appointed a director of HOGG ROBINSON (UK) responsible for the self drive hire division from October 1.

★

LONDON & COASTAL OIL WHARVES has appointed Mr P. W. Broome a director from October 1 with responsibility for leasing tank storage space. He will relinquish his responsibilities as general manager of the company's terminal at Dagenham (formerly known as Thames Terminal), and will be based at Canvey Island.

★

Mr David A. McLean has been appointed a director of TSB GROUP COMPUTER SERVICES. He was recently appointed general manager—retail operations within the newly formed TSB Scotland.

★

Mr David Longley, appointed national sales manager of DELTA DATA SYSTEMS a year ago, is now sales and marketing director.

★

Mr Reg Marks has been appointed a director of Barclays Insurance Services Company and Barclays Insurance Brokers International, both wholly-owned subsidiaries of BARCLAYS BANK.

★

Mr Michael Kelly has been elected to the board and appointed chief executive of TRAFFORD CARPETS. Mr Kenneth Reeves is appointed joint managing director of ROLFE & WEST, Manchester. Both are MCD Group companies.

★

Mr T. Graham Lock, chief executive, Amalgamated Metal Corp, has joined the board of MARSHALL'S UNIVERSAL as a non-executive Director.

LADBROKE INDEX
693-700 (−2)
based on FT Index
Tel: 01-493 5261

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.15%. Effective annual rate—9.54%.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 9,778

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		CALLS Nov.	Feb.	May	PUTS Nov.	Feb.	May
Barclays Bank (*477)	460	30	48	57	10	17	24
	500	13	23	35	32	35	40
	550	2	10	17	77	80	82
Imperial Group (*116)	100	10	14	17	3	6	7
	110	4	8½	10	9	11	13
	120	1½	4½	—	18	19	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sept. 26 Total Contracts 2,912 Calls 1,745 Puts 1,169
* Underlying security price.

Wall St up slightly by noon 18

WALL STREET stock prices was slightly higher at mid-session after suffering from depressed levels and volume most of the morning.

The Dow Jones Industrial Average, which has been lower on all but one day this week, was up nearly 2.5 to 1,217. In the broader market, advances led declines by a few issues.

The Dow Transportation Index was up more than four points, helped mainly by Rail issues.

Volume was only about 31m shares at noon.

Tymshare fell 5¼ to $21½. Wang Labs sold its Tymshare stocks on Thursday and dispelled rumours that might try to take over the company.

HMW climbed two to $39. Clabir again raised its acquisition offer for HMW, which has already signed a pact to be purchased.

In the Technology group, Texas Instruments rose 2¼ to $123 and Data General climbed 1⅞ to $69¼, but General Instrument fell 1½ to $35½.

At the top of the active list, Commonwealth Edison fell ¼ to $27¼.

Mr Michael Metz, of Oppenheimer, said investors were anxiously awaiting yesterday's money supply report, but he added that the market might have already discounted the expected large increase in M1. Mr Metz said prices improved in the late morning along with the bond market.

Economists were expecting that M1 would be up about $4.5bn after two straight weeks of declines.

THE AMERICANS SE Market Value Index was off 0.1 at 231.96 at noon.

Canada

Stocks were down at mid-session but prices were off their worst levels.

The Toronto Composite Index fell 14 points to 2,530.8, slightly better than the 2,524.1 level reached earlier in the morning.

Volume was moderate on turnover of 4.33m, with declines outpacing advances by 303 to 147. Golds, Oils and Metals led the declines among the market's 14 major stock groupings.

Closing prices for North America were not available for this edition.

Tokyo

Prices closed sharply lower following Thursday's fall on Wall Street. Trading was thin because of a lack of fresh market factors, dealers said.

The Nikkei-Dow Jones index lost 78.45 to close at 9,195.66. The decline was led by Internationally Popular issues, followed by Precision Instruments, Vehicles, Chemicals and big-capital issues. Investors generally held off, dealers said.

The Tokyo SE index closed at 677.12, down 4.97 in thin trading. Volume was 210m shares. The second market closed sharply lower on volume of 10.5m shares.

Blue Chips and Populars fell across the board, with Fuji Photo Film losing 30 to Y2,220, Toyota Motor 20 to Y1,170, TDK 30 to Y5,190 and Canon 30 to Y1,400.

Market participants retreated to the sidelines in the afternoon ahead of the announcement of U.S. M1 money supply figures late yesterday.

Hong Kong

Stocks closed higher on moderately active buying support with sentiment boosted by speculation of the imminent abolition of the Hong Kong dollar withholding tax.

The Hang Seng Index rallied above the 900 level, closing at 916.11, up 17.45.

Cheung Kong rose 15 cents to HK$7.35, HK Land 2.5 to HK$3.35, HK Bank 10 to HK$7.30, HK Wharf 7.5 to HK$3.75, Hutchison Whampoa 30 to HK$12.60, Jardine Matheson 30 to HK$12.50 and Swire Pacific "A" 40 to HK$13.90.

Swire Properties rose 20 cents to HK$5.20. It reported higher 1983 interim profits after the market closed. Hang Lung Development held at HK$1.97 after announcing sharply lower net profits.

Australia

Shares fell acros the board amid concern that the U.S. Federal Reserve would report a big rise in U.S. M1 money supply.

Prices fel sharply in the morning, but the market recovered slightly in the afternoon on late buying support for several leading resource stocks.

The All Ordinaries index closed down 8 at 716.4 after being down 10.5 point at noon.

Germany

Prices ended the week barely steady as investors stayed on the sidelines in view of the continuing uncertainty about U.S. interest rates and the strength of the dollar, dealers said.

However, selling pressure was modest. The Commerzbank Index of 60 leading shares eased 2.5 to 915.2.

AEG was the major exception to the trend. Its shares closed at DM 82.2, up 2.10 from Thursday's close and at the highest level since 1980, well before the company became insolvent more than a year ago. Dealers said there appeared to be or more large investors buying into the company.

Paris

The market was mixed in quiet trading with advances slightly ahead of declines on a sharply lower trade deficit in August and President Francois Mitterrand's promise to lower some taxes in the future, dealers said.

However, the Wall Street decline and a slight rise in some market-related interest rates pushed some shares lower.

Banks were generally higher while Foods, Financials and Constructions were mixed. Chemicals gained, but Oils and Metals were mixed. Foreign shares were mainly lower.

Amsterdam

Share prices were lower on a broad front in line with the Wall Street close overnight, although losses were generally small.

Trading was very quiet on lack of interest as investors were unwilling to take new positions.

Uncertainty on the course of Wall Street and U.S. interest rates, and the announcement next Tuesday of the Netherlands 1984 budget details kept investors on the sidelines.

Brussels

Shares were mixed in quiet trading and foreign share prices lower in moderate trading.

The Belgian Shares Index was down slightly at 131.18 (131.34) and the All-Shares Index was 341.82 (343.51).

Prices were irregular in what bourse sources said was an unattractive market. Among Belgian shares, Asturienne rose 6 per cent, Wagons Lits and Tabacofina rose 2 per cent, while Cockerill fell 3 per cent and CBR fell 2 per cent.

Milan

Most shares closed easier in a cautious market dominated by booksquaring at the close of the bourse month.

Financials Bastogi and Centrale lost ground while Chemicals SNIA and Montedison were also marked lower. Pirelli EC was fractionally lower on the day although Pirelli SPA made small gains. Both Olivetti ordinary and non-voting shares rose while Fiat eased a little.

Prices were selectively higher in bonds with Treasury Certificates in good demand.

Singapore

Bourses closed mixed after a lower opening in quiet trading.

Dealers said the market improved slightly in the afternoon on light buying interest as bargain hunters emerged.

The Straits Times Industrial Index closed 1.55 points lower at 963.85. The stock exchange industrial/commercial index rose 0.93 points to 730.54.

NEW YORK

Indices

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases

The dollar lost ground in currency markets yesterday. The weaker trend started in London was continued in early New York trading, following a downward revision in market estimates of this week's M1 money supply figures. The latter has been a dominating factor in recent weeks but the market showed a natural apprehension yesterday since previous predictions have proved to be somewhat off target. The dollar closed at DM 2.6685 against the D-mark down from DM 2.6785 on Thursday and SwFr 2.1665 from SwFr 2.1765. It was also lower against the French franc at FFr 8.0575 from FFr 8.0875 and Y243.55 compared with Y244.50. On Bank of England figures the dollar's trade weighted index fell from 129.0 to 128.7.

Sterling finished unchanged according to its trade weighted index. The latter closed at 84.9, the same as Thursday's close, having stood at 85.0 at noon and in the morning. Against the dollar it opened at $1.4970-1.4980 and traded between $1.4960 and $1.5030 before closing at $1.5010-1.5020, a rise of 40 points from Thursday's close. Against the D-mark it eased to DM 4.01 from DM 4.0125 and SwFr 3.26 compared with SwFr 3.2625. It fell to FFr 12.09 from FFr 12.1075 against the French franc but was unchanged in terms of the Japanese yen at Y366.5. The market was obviously being influenced by the outcome of U.S. money supply figures while sentiment in London remained quite bullish for a fall in the UK base rates sometime next month.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8885	+2.20	+1.42	±1.5447
Danish Krone ...	8.14104	8.15947	+0.23	−0.55	±1.6425
German D-Mark	2.24184	2.27403	+1.44	+0.66	±1.0642
French Franc ...	6.87456	6.87095	−0.05	−0.83	±1.4052
Dutch Guilder ...	2.52595	2.54252	+0.66	−0.12	±1.4964
Irish Punt	0.72569	0.725208	−0.07	−0.85	±1.6899
Italian Lira	1403.49	1361.19	−3.01	−3.01	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Sept 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4960-1.5030	1.5010-1.5020	0.02-0.07c dis	−0.36	0.13-0.18dis	−0.41
Canada	1.8450-1.8530	1.8515-1.8525	0.10c pm-par	0.32	0.18-0.08 pm	0.28
Nethlnd.	4.47-4.49½	4.48-4.49	1½-1c pm	3.34	3⅞-3⅛ pm	3.23
Belgium	80.65-81.10	80.90-81.00	3c pm-7 dis	−0.30	8-18 dis	−0.64
Denmark	14.35-14.41	14.39-14.40	[illegible]-4.45ore dis	−3.27	4.45-5.60dis	−1.40
Ireland	1.2760-1.2810	1.2775-1.2785	0.18-0.21p dis	−1.83	0.55-0.60dis	−1.80

THE DOLLAR SPOT AND FORWARD

Sept.16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4950-1.5030	1.5010-1.5020	0.02-0.07c dis	−0.36	0.13-0.18dis	−0.41
Ireland†	1.1700-1.1760	1.1750-1.1760	0.28-0.24c pm			2.46
Canada	1.2330-1.2345	1.2335-1.2340	0.09-0.06c pm			0.70
Nethlnd.	2.9810-2.9925	2.9840-2.9880	0.93-0.88c pm			3.64
Belgium	53.92-54.02	53.92-53.94	2c pm-1 dis			−0.15
Denmark	9.5925-9.6575	9.5925-9.5975	1½-2ore dis			−0.73
W. Ger.	2.6675-2.6770	2.6680-2.6690	0.96-0.91pf pm			4.22

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EXCHANGE CROSS RATES

Sept. 16	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Canadian Dollar										43.71
Belgian Franc 100					14.94	4.027	5.540	2963.	2.388	100.

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Day to day credit was in short supply in the London money market yesterday with the Bank of England forecasting a shortage of £250m, later revised to £300m. Factors affecting the market included maturing assistance and a take up of Treasury bills—£209m an da rise in the note circulation of £230m. On the other hand Exchequer transactions added £220m.

The Bank gave help in the morning of £169m, comprising purchases of eligible bank bills, £66m in band 1 (up to 14 days) at 9$\frac{9}{16}$ per cent, £76m in band 2 (15-33 days) at 9½ per cent, £7m in band 3 (34-63 days) at 9$\frac{7}{16}$ per cent and £20m in band 4 (64-91 days) at 9⅜ per cent. Further help was given in the afternoon of £89m, making a grand total of £258m. Assistance in the afternoon comprised purchases of £47m of eligible bank bills in band 2, £37m in band 3 and £5m in band 4 all at established rates.

In the interbank market weekend money opened at 9⅞-9½ per cent and rose to 9¾-10 per cent before easing to 9½ per cent. However funds were well bid towards the close with later balances commanding up to 12 per cent. Longer term rates showed very little change with the outcome of this week's U.S. money supply figures tending to attract most attention.

LONDON MONEY RATES

Finance Houses Base Rate (published by the Finance Houses Association) ... London and Scottish Clearing Bank Rates for ... 6 per cent.

Treasury Bills: Average tender rates of discount ... of £100,000 and over held under one month ... six-12 months 10¼ per cnt. Under £100,000 ... The rates for all deposits withdrawn for cash ...

OTHER CURRENCIES

Sept. 16	£	$		£ Note Rates
Argentina Peso...	18.06-18.26	12.109-12.129	Austria..........	28.00-28.30
Australia Dollar..	1.6905-1.6925	1.1280-1.1285	Belgium.........	82¼-83¼
Brazil Cruzeiro...	1,046-1,051	698.0-701.0	Denmark.........	14.33-14.47
Finland Markka..	8.5620-8.5885	5.7160-5.7180		
Greek Drachma..	138.65-139.25	92.40-92.70		
Hong Kong Dollar	11.85-11.94	7.91-7.96		
Iran Rial...........	131.00*	87.90*		
KuwaitDinar(KD)	0.4370-0.4375	0.29185-0.2916		
		3.6710-3.6735	Yugoslavia.......	175-186

* Selling rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

FT LONDON INTERBANK FIXING

(11.00 a.m. SEPTEMBER 16)

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest	Ch'nge on week	Year ago	1983 High	1983 Low
Gas Oil Fut. Oct.	$256.75	+3.75	$308.5	$277.5	$220
Jute LJA BWC grade	‡		£240	£240	£240
Rubber kilo	74.5p	−2.5	48p	82p	50p
Sago Pearl	£275w	−2	£240	£277	£242
Sisal No. SL	$640/655y	—	$640/650	$675	$620/630
Sugar (Raw)	£145w	−13	£85	£193.5	£95
Tapioca No. 1	£315w	+1	£250	£316	£316
Tea (quality) kilo	180p	+20	135p	180p	137p
(low med.) kilo	136p	—	75p	136p	113p
Wooltops, 64s Warp	400p kilo	+5	372p kilo	409p kilo	372p kilo

‡ Unquoted. (g) Madagascar. (y) Oct. (u) Nov. (w) Sept-Oct. (v) Oct-Nov. § Ghana cocoa.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.65-28.80	+0.10
Iranian Light	28.20	—
Arabian Heavy	25.65-26.70	—
North Sea (Forties)	30.20-30.35	—
North Sea (Brent)	30.30	−0.10
African(Bonny Li'ht)	30.70-30.75	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	293-296	—
Gas oil	250-254	+2.0
Heavy fuel oil	167-169	—

GAS OIL FUTURES

After a steady opening, the market moved higher to reflect strength on physicals, reaching the highs at the end of the morning. Long liquidation in advance of the weekend combined with easing physicals to put pressure on prices and the market slipped back, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	252.75	+1.50	253.50-52.00
[illegible]	[illegible]5	+0.60	258.50-56.75
Nov.	260.75	+0.50	262.25-60.50
[illegible]	[illegible].5	+0.25	266.25-64.50
Jan.	265.75	+0.25	266.50-63.25
Feb.	260.00	+1.00	261.50-60.00
Mar.	256.00	+2.00	258.00-55.00
April	253.00	+2.50	253.00-52.00
May	251.00	+3.50	—

Turnover: 2,288 (3,573) lots of 100 tonnes.

GOLD MARKETS

Gold fell $½ an ounce from Thursday's close in the London bullion market yesterday to finish at $405¾-406½. The metal opened at $405¼-406 and traded between a high of $406½-407 and a low of $405-405½. Trading was rather quiet ahead of the publication of U.S. money supply figures.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Sept	406.20-08.7	—	—
Oct.	407.80-08.4	−0.400	408.80
Nov.	410.50-11.0	−1.750	—
Dec.	414.60-14.8	−0.350	414.70-13.0
Jan.	417.00-19.0	−1.000	—
Feb.	421.70-22.1	−0.700	—
Mar.	425.00-26.0	−0.750	—

Turnover: 437 lots of 100 troy ounces.

	Sept. 16		Sept. 15	
Gold Bullion (fine ounces)				
Close	$405¾-406½	(£270¼-270¾)	$406¼-407	(£271½-272)

REVIEW OF THE WEEK

Copper prices tumble to 8-month lows

BY OUR COMMODITIES STAFF

COPPER PRICES tumbled this week to the lowest level since January. The higher grade cash price closed yesterday at £1,023 a tonne, down on the day and £54.75 lower than a week ago. The fall in copper was part of a general decline in metal prices this week. Speculative selling was encouraged by the easier trend in gold, which broke through $400 an ounce briefly on the New York futures market, before recovering to $406.125 an ounce yesterday, still $8.5 down on the week. The weakness in gold was attributed to Brazil agreeing to a letter of intent on its external debt thus reducing the threat of an international monetary crisis developing.

Copper was hit by reports of sharply rising stocks on the New York and London markets. Stocks in the LME warehouses rose for the seventh week in succession to reach a total of 357,225 tonnes—the highest level since early 1976.

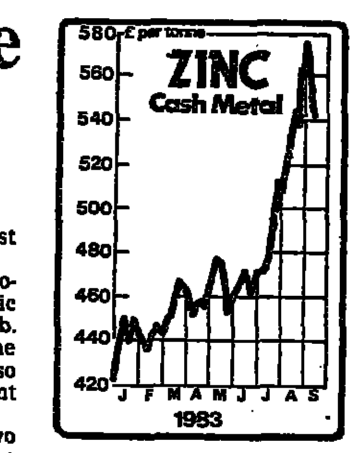
Yesterday several U.S. producers lowered their domestic sellings to 74/75 cents a lb. Evidently the recovery in the American economy has not so far brought much improvement in demand for copper

Aluminium and zinc—the two previous high flyers in the metal markets—suffered severe setbacks this week. Cash aluminium fell to £1,045.5 a tonne, £69 below the record £1,114.5 reached last week. Cash zinc dropped to £541 a tonne compared with £577.75 attained a week ago.

In both cases, the price declines were attributed primarily to speculators taking profits after the recent upsurges.

Cocoa prices continued their recent decline early in the week as the market continued to react against the rise prompted previously by expectations of sharply reduced West African crops. But values turned upwards sharply as speculators covered against a technically oversold position which had developed in New York.

Dealers quoted renewed doubts about the size of the Ivory Coast crop and "brisk" manufacturer buying as additional factors in the rise which left December cocoa futures £99.50 up on the week at £1,510.50 a tonne.



World sugar market prices continued to decline with the London daily raws price ending £13 down at £145 a tonne, the lowest level since mid-May.

A sticky start to International Sugar Agreement renegotiation talks in Geneva tended to depress prices but the main downward influence came from news of an unsuccessful Brazilian selling tender for 600,000 tonnes and the re-emergence of India and the Dominican Republic as sellers.

Soyabean meal futures also decline although all this week's news appeared bullish.

As expected the latest U.S. Department of Agriculture estimate of the country's soyabean crop, published on Monday, was sharply reduced, reflecting continued drought damage. But this news had already been reflected in the previous price rise and values retreated as speculators took their profits. A report that Brazil might have to make covering purchases of up to 250,000 tonnes of soyabeans because of over-selling by its exporters, failed to halt the downtrend which left the December position on the London futures market £21.15 down on the week at £183.75 a tonne.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,179, 18.50, three months £1,049, 48, 47, 47.50, 47, 46, 45, 46.50, 45, 46, 45.50, 46. Cathodes: Cash £987; three months £1,014. Kerb: Higher Grade: Three months £1,046, 45. Afternoon: Higher Grade: Three months £1,047.50, 48, 47.60, 51, 52, 51.50, 51, 50.50, 50, 49.50. Kerb: Higher Grade: Three months ...

ALUMINIUM

Aluminium—Morning: Cash £1,059.50, three months £1,090, 88, 87, 88, 89, 89.50, 89, 88.50, 88, 87.50, 86, 87, 87.50. Kerb: Three months £1,086, 85.50, 84.50, 84, 83.50, 83, 82.50, 82, 83, 84. Afternoon: Three months £1,086, 8,700, 86, 85, 81, 82, 83, 82.5, 82, 81, 80, 79.5, 79, 79.5, 79, 78, 77, 75, 74, 73, 72, 71, 73. Kerb: Three months £1075, 76, 78, 79, 78, 78.5, 79, 80. Turnover: 26,825 tonnes.

TIN

LEAD

ZINC

NICKEL

SILVER

COCOA

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
Sept.	1755-59	−1.5	1769-58
Nov.	1729-30	+5.5	1736-24
January	1706-08	−2.0	1719-05
March	1669-71	+0.5	1680-67
May	1642-43	+3.0	1647-40

GRAINS

POTATOES

RUBBER

SOYABEAN MEAL

SUGAR

INDICES

FINANCIAL TIMES

Sept. 15	Sept. 14	M'th ago	Y'ar ago
286.26	286.73	288.88	230.20

(Base: July 1 1952=100)

REUTERS

MOODY'S

DOW JONES

AMERICAN MARKETS

NEW YORK, September 16.

Gold and silver rallied on gold's ability to hold above $400 which attracted short-covering and fresh buying interest. Copper firmed on buying in sympathy with the recovery in gold and silver and expectations that demand might be attracted by the low cash prices. Sugar remained under pressure on selling tenders by India and Colombia. Cocoa maintained a strong uptrend as speculative buying re-emerged in response to reports the Ivory Coast crop could fall below expectations due to recent dry weather. Coffee was steady from the lack of fresh news regarding a possible U.S. dock-workers' strike. Cotton was firm on evidence of a pick-up in cash inquiry along with a favourable export sales report. The grain and soyabean complex recovered from early losses attributed to margin liquidation as good commercial buying touched off short-covering and fresh buying interest. Heating oil attracted light buying interest in response to Opec's decision to hold production and prices steady, reported Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Sept	2118	2090	2090	2055
Dec	2122	2133	2090	2059
March	2143	2149	2108	2089
May	2162	2167	2135	2109
July	2175	2177	2155	2128
Sept	2178	2190	2176	2149
Dec	2200	2200	2200	—

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Oct	9.41	9.56	9.35	9.76
Jan	10.05	10.35	10.10	10.35
March	10.75	10.92	10.75	—
May	11.15	11.32	11.13	11.35
July	11.43	11.61	11.42	11.66
Sept	11.63	11.53	11.63	11.87
Oct	11.85	11.98	11.84	12.01

CHICAGO

COTTON

Brilliant bunch

BY A. L. ROWSE

The House of Commons, 1660-1690
edited by Basil Duke Henning. Secker and Warburg. £120 the set of three volumes.

Historically we may regard parliamentary institutions as the chief English contribution to world amenities, with constitutional monarchy perhaps as runner-up. Parliament and monarchy were not always in step, particularly in the 17th century. The disaccord comes through in these massive volumes, which cover the period from the Restoration of the monarchy to the Revolution without tears of 1688; after which accord prevailed and the country could get forward with its broken business, trade and commerce, founding colonies overseas, building an empire.

Readily, underneath the wealth of detail, we can see that it is the story of the ablest and most successful governing class in Europe. Parliament was their institution. Very right therefore that its history should be tackled in a majestic way over many volumes, of which these are the three latest: the great state coach trundles along, expertly conducted. All self-respecting libraries must possess this authoritative series.

Altogether there were just over 2,000 MPs during the critical period 1660-1690 and their biographies make an invaluable addition to the *Dictionary of National Biography*, each of them not too long, giving us just what we want to know, some of them fascinating in themselves, particularly of exceptional people. The Introductory Survey sums up concisely the significant facts.

The Restoration House of Commons was one of young men: two-thirds of them were under 50, more than 100 were Cavaliers who had fought for the King in the Civil War. No wonder Charles II said that he would keep them "until they grew beards." He did—from 1661 up to the crisis of 1679 over excluding his impossible brother James. In every county we recognise the names of the leading families, many of whom have come down to the social revolution of today.

Schools they came from were in this order: Westminster, Eton, Winchester, Shrewsbury, Merchant Taylors, St Paul's. Far more Oxford than Cambridge men, and that—though the editor does not notice it—reverses the situation in the Elizabethan age. It has its significance. Religion: usually Anglicans were in the majority. The general point is convincingly made that—though we must not read back the party divisions of the 19th century, in the way the Victorians did (particularly Whigs like Macaulay)—there was a marked division between *Court* and *Country*. The former were more monarchical and devotedly Anglican, the latter more independent and religiously variegated.

Motives? The great majority got some office, pension or *douceurs*—though this did not always keep them sweet. M.P.s were not automata: they sometimes voted in accordance with their own convictions, or changed their opinions, particularly with regard to a Catholic on the throne—in a rabidly Protestant country. Most M.P.s succeeded in improving their position—why else were *they in it, except of course for fun?*

In the vast majority, three-quarters of them, were country gentlemen, though some added other occupations. No less than five M.P.s of the Trelawny family were soldiers, and one wouldn't describe Sir Christopher Wren, M.P., or Sir Isaac Newton, M.P., as country gentlemen.

It is fascinating to observe that this study in its convincing detail corroborates the traditional view of our history. Charles II—for all his sentimental admirers—and James II were on the wrong tack in trying to edge the country in a pro-French, pro-Catholic direction: they were playing against the country's real interests, helping Louis XIV to erect his monstrous ascendancy. They were going against the consensus of the governing class. Fancy forcing the reconstruction of scores of corporations to control their returns to Parliament: fancy removing nearly 900 members of City Companies, Tory Anglicans—the national supporters of the monarchy—for the *beaux yeux* of the Catholics and Dissenters. And the Dissenters wouldn't play James's game. When he tried to back-track in 1688, it was too late, he had to go, like other monarchs who tried to rule against the consensus of the governing class — Edward II, Richard II, James II—we might add Edward VIII.

Individual biographies are no less rewarding, and serve to correct too personal judgments. Pepys thought Sir John Robinson, MP for the City, and Laud's heir, "a tacking, bragging bufflehead." The record shows him to have been an enterprising and successful businessman, a good negotiator, first chairman of Hudson's Bay Company—able to lay his hand on a nest-egg of £4,500 in gold to help forward the Restoration. William III called Hugh Boscawen, an enormously influential House of Commons man and borough patron in Cornwall, a "blockhead": he can only have meant that he was an obstinate man of principle.

This elect assembly contained—besides the greatest of scientists and architects in Newton and Wren—admirable poets like Andrew Marvell and Edmund Waller, Denham, Buckhurst, Sir Charles Sedley; playwrights like Sir William Killigrew and Sir Robert Howard; an historian in Rushworth, a philosophical thinker in Savile, who became Lord Halifax—the great Lord Halifax. Of course one may not compare the ordinarily silent country gentlemen of those benighted days, who voted with their feet, with the intellectual incandescence, the self-sacrificing public spirit of the Trade Union MPs of today. All the same, I think we may prefer Samuel Pepys, MP as diarist, to the lucubrations of the late Dick Crossman.

Little space remains for the bizarre happenings to those ancient MPs. Several were ruined by extravagance, like Sir Ralph Dutton, who squandered his patrimony on greyhound racing; or Edward Hungerford who spent £500 on a wig. A rustic Cornish MP was gored to death by a pet bull. The Dissenters put it about that this was a divine judgment on him, for he was no friend of theirs. But some years later, an old woman who was a Dissenter was tried at assizes for bewitching the bull.

New Palace Yard, Westminster, in the 17th century, from an engraving by W. Hollar. The latest volumes in The History of Parliament are reviewed today

Fiction

'Scenes' still going strong

BY MARTIN SEYMOUR-SMITH

Scenes from Later Life
by William Cooper. Macmillan. £7.95. 258 pages.

The Proprietor
by Anne Schlee. Macmillan. £8.95. 300 pages.

The Imperial German dinner service
by David Hughes. Constable. £6.50. 154 pages.

Falls the Shadow
by Emanuel Litvinoff. Michael Joseph. £8.95. 250 pages.

Methuen has just published, in paperback, William Cooper's trilogy *Scenes From Provincial Life*, *Scenes From Metropolitan Life* and *Scenes From Married Life*. Simultaneously Macmillan publish this "companion volume" to the trilogy, *Scenes From Later Life*.

This trilogy (though William Cooper has written many other books, beginning in 1933 with *Trina*) has often been regarded as the forerunner of Kingsley Amis' *Lucky Jim* and other novels of the 1950s expressing the same sort of "tough, ironic, robust" attitude. There is good reason for this: William Cooper's character Joe Lunn, writer and friend of highly placed people, is candid, sly, witty, disgusted, comically trapped by polite hypocrisies. We pick him up now in his 60s, as un-innocent as ever.

The expression of this 1950's attitude—it derived, so far as it derived from any single writer, from Arnold Bennett, particularly the Arnold Bennett of *The Card*—has now all but vanished. Today's heroes or anti-heroes are often either committed social (not to say socialist) workers, or "into the occult" in a big way. So it is interesting to see what William Cooper, 50 years after he wrote his first novel, now makes of the world. *How have the Lucky Jims* and the Joe Lunns survived? Did they vanish, too, or become submerged in the civil service or in safe jobs, burnt out nonentities?

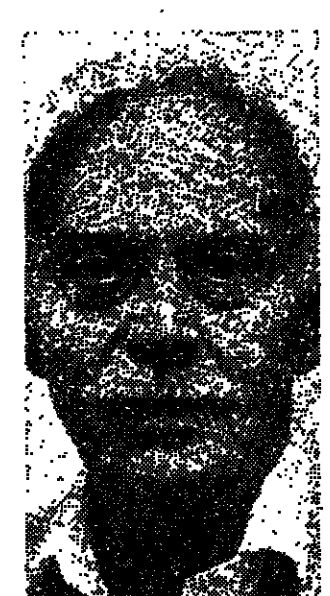
Well, Joe Lunn continued to write. And in this adjunct to the trilogy William Cooper still feels that he has a point to make. But his composure (both the author's and his protagonist's) is a good deal more ruffled. Reviewers are attacked—and the attacks don't fit in too well with the pace of the novel. William Cooper does not like modern society, and who can blame him? But his dislike of it seems disappointingly sterile: he is ferocious enough, and quirky, and tetchy, but he does not tell us much about the true nature of his irritations — or modern society. Otherwise, in its essence—its "message" apart—*Scenes From Later Life* is funny, sad, disgusted, a little dismaying, and altogether an excellent novel. Joe has to deal with all the discomforts and humiliations of age, as well as bury his aged mother. We watch him trying to manage ("managing" is what this book is really about: managing without the aid of any belief in anything in particular), and we appreciate his wryness, his irony, his sense of emptiness. Despite its flaws, it is a considerable achievement, although it does not come up to the level of Cooper's masterpiece, *Disquiet and Peace*.

Ann Schlee's *The Proprietor*, her second novel (the first was the highly praised *Rhine Journey*), is an unusually skilful and sensitive historical study: it is about Augustus Walmar, who lived in the 19th century, and who bought St Warna's Islands. In 1840 he invited a party of friends there: he wanted to show them how beautiful the place was, and wanted them to see how he had improved it. This visit is the occasion of an original and well written novel, which in dealing with an apparent "earthly paradise" has many wise and pertinent comments to make. These go well beyond the scope of the ordinary historical novel, or of the 19th century.

Before he went to war with Great Britain in 1914 the Kaiser ordered from Wedgwood a specially designed dinner service: a tribute to Edwardian England with appropriate paintings to illustrate it. Or so David Hughes in his new novel, *The Imperial German Dinner Service*, has postulated. "National Arts" now wishes to collect all that is left of it, for the nation; and at the same time an unemployed journalist—who tells the story himself—becomes obsessed with the idea of collecting it and keeping it for himself.

This is an excellent notion, *and its obvious implications* are mostly taken up. Also the book has one of the best opening sequences I have read for a long time. But it slowly but surely, and very disappointingly degenerates into weak farce and even slapstick. The opportunity to do justice to this theme, which David Hughes certainly possesses, has been missed: it is as though he lost his concentration about a third of the way through. It remains readable, but lacks the impact it might have had.

In *Falls the Shadow* Emanual Litvinoff poses the now familiar question: have the Jews been so persecuted that their political representatives have taken on some of the devilish nature of their persecutors? He does this by means of a tense tale of detection: why has the assassin of a somewhat mysterious man decided to kill him? The novel succeeds in its *true intention: to remind Israel* in its time of crisis that if it loses its moral values it will lose everything worthwhile. But the author's imagination, rather than any particular political viewpoint, is always paramount in this most excellent successor to Litvinoff's justly acclaimed trilogy, *Faces of Terror*.



William Cooper: In the steps of Arnold Bennett

Poe-faced

BY BRIAN AGER

The Name of Annabel Lee
by Julian Symons. Macmillan. £6.95. 191 pages

Sudden Death
by James Gibbins. Collins. £6.75. 210 pages

Edgar Allan Poe pervades Julian Symons's masterly mystery story. Annabel Lee was named after the poem by a mother obsessed by Poe's works. Obsession is the subject of this book, with an English professor falling for the woman called Annabel Lee; and, when she disappears, searching for her.

The pursuit takes him to England, where he investigates the macabre history of Annabel Lee and her family. The macabre is relieved with touches of comedy including one delightful knockabout interlude when a precocious 12-year-old girl determinedly, and literally, reveals her mother's infidelity.

In Mr Gibbins's novel *Sudden Death* takes on a new meaning for golfers. Would you believe it the course is mined so the men taking part in the tournament face the prospect of being blown to pieces if they stray from the fairway?

The prize of $250m provides enough incentive for the selected scratch golfers. They are all desperate men, including criminals and assassins, gathered together by a dying Chinese millionaire, who wants to discover how far people can be driven by greed.

Legal decisions

BY R. M. GOODE

Judges, Lawyers and Businessmen
by A. H. Hermann. Kluwer Law and Taxation Publishers (P.O. Box 23, 7400 GA Deventer, The Netherlands) $38.00, 278 pages.

The essence of business life is innovation: new products, new marketing methods, new financial tools, new contract structures. The businessman's never-ending quest for fresh pastures creates problems for lawyers, for the law is inherently slow-moving and cautious. Rules once formulated cannot lightly be modified or abandoned, for the business world requires a reasonable measure of continuity in order to organise its affairs. The successful functioning of commerce and finance thus depends in no small measure on the responsiveness of the judges to business need. Entrusted to them is the delicate task of combining consistency with creativity. In general, the English judges have been remarkably successful in meeting the challenges of evolving business practice, but inevitably there are occasions when they go wrong, sometimes quite seriously wrong, whether through faulty reasoning, a lack of appreciation of the commercial implications or the constraints, well-founded or otherwise, of the doctrine of judicial precedent. For such occasions it is essential to have a writer of influence whose views are informed and are expressed cogently and fearlessly. For many years now we have had the good fortune of reading just such a writer, Dr A. H. Hermann, whose writings in his weekly column in the Financial Times have attracted a large following and have now been gathered together and rearranged in his admirable new book.

Dr Hermann has a passionate concern for justice and for realism in the resolution of commercial disputes. The function of the judge, as he sees it, is not to engage in intellectual abstractions or sterile logic, nor to be hidebound by judicial precedent, but to address himself to the legitimate needs of the business community and to give decisions which, while consistent with established principle, offer practical solutions to the problems posed. Dr Hermann is no iconoclast. He well understands the limits on the power of the English judge to make new law and the need to avoid decision by impulse or caprice. He is as generous with praise of sensible rulings as he is with censure of judgments of which he disapproves. But when he does disagree with a decision, a new law or an act of the executive he is no respecter of either persons or institutions. No degree of eminence affords protection against his censorious pen.

The sweep of the articles encompassed in this book is enormous. The first two parts of the book are devoted to the role of the courts and the struggle for reform. The expense and dilatoriness of civil litigation are fiercely attacked. The treatment of commercial disputes in London is contrasted unfavourably with the procedure of the French *tribunaux de commerce* and the lack of judicial control over interlocutory proceedings is criticised. Dr Hermann then proceeds to turn the spotlight on a number of specific topics: the long-arm antitrust laws of the United States; the legal risks confronting the banking community; the state of English insolvency law; the future role of arbitration; equal pay and human *rights. His material is* gleaned from all over the western world, including legislation and decisions from France, Germany, Sweden, Switzerland and the United States.

To each of his selected topics Dr Hermann brings an incisive analysis, a lively and astringent wit and a deep appreciation of the realities of business life. His judgments on commercial law and on the courts are by turns laudatory (particularly when referring to the judgments of Lord Denning), caustic ("Lords unanimous against common sense," in reaction to the decision in *The Chikuma*), excoriating (he reserves his most severe remarks for the workings of the EEC Commission and the European Court) and controversial, but never, never dull.

Like a good historian he combines balance with a tendency to exaggerate, to oversimplify, to present a picture rather larger than life in order to drive home the message. Moderation in all things—including moderation! His writings mirror the contradictions of legal policy: the law must be certain, it must also be flexible; statutes must be interpreted according to their natural meaning but the astute judge will be able to detect a hitherto unsuspected ambiguity in order to produce a sensible result; the administration of the law must be of high quality but it must also be inexpensive.

This is a book to be read both for instruction and for enjoyment. Meanwhile Dr Hermann and his column continue to inform, to enrage and to delight his myriads of readers; and perhaps we may have the pleasure of a second volume in the not too distant future.

Professor Goode is Director of the Centre for Commercial Law Studies, Queen Mary College, University of London.

George and Rupert

BY NICOLA BEAUMAN

The Lyttelton Hart-Davis Letters: Correspondence of George Lyttelton and Rupert Hart-Davis
Rupert Hart-Davis (ed.). John Murray. £12.50, 196 pages

A bookseller I know scans the proof of the latest Lyttelton Hart-Davis volume in order to anticipate the demands of his clientèle: knowing that there will be enough interest in the books mentioned for it to be worth his while lining the secondhand shelves with some of them. For this, the fifth and penultimate exchange of letters, he will have dusted down *Middlemarch*, Percy Lubbock's *Earlham*, the uncut *Lady Chatterley*, *How Green was my Valley*, Hart-Davis's own edition of Wilde's letters, Doctor Johnson—and so on.

The two men, one a busy publisher and one a retired Eton schoolmaster, are into their sixth year of correspondence. They are very comfortable with each other by now, Hart-Davis's complicated love-life having been sorted out in Volume Four; references to Comfort (his wife) and Ruth (his companion) are therefore unabashed. Against the background of this dual ménage the writers explore their differing reactions to the 1960 Lady Chatterley trial; Lyttelton prefers his Lawrence nicely cut.

They assume in the recipient, and now in a larger audience, both literacy and prejudice. They like Eton, cricket, the London Library, the English countryside and sentimentality in measured doses. They dislike television, angry young men, giggling schoolgirls, Eden's memoirs and journalists. One of them does not see the point of custard and Kingsley Amis.

Rupert Hart-Davis filled his life with activity, such as extracting the "messy and incomplete" manuscript of *A Passage to India* out of E. M. Forster or persuading T. S. Eliot to copy out *The Waste Land*, both in aid of a London Library sale. About the former he writes laconically:

"After two evenings of sorting (when I should have been doing a hundred other things) I've got it into pretty good order, despite his appalling *handwriting*, and it should fetch a pretty penny."

In the event it fetched £6,500.

He dines out, goes to the theatre, escapes to his cottage in Swaledale, runs his publishing firm, *laboriously* corrects the proofs of Wilde's letters, visits people in hospital, and so on and so forth. No wonder he writes one day: "If you don't hear from me again you will know that I have been suffocated by the proofs of other people's books."

Lyttelton, faced with this frenetic activity, often bemoans his quiet Suffolk existence, comparing it ruefully with Rupert's.

"The difference between my letters and yours is that yours are full of interesting things you have done, and ditto people you have seen. I, having done neither, am reduced, largely, to not very inspiring chatter about what I have been reading."

In fact, his letters are none the worse for that.

هكذا أصنف الأهل

Bicycle with the exclusive touch

DR ALEX MOULTON is not too keen for his new bicycle to be known only as "the one that fits nicely in the boot of the Rolls."

Yet it is this aspect of the Moulton advanced-engineering bicycle, at £489 for the top model, that is likely to appeal to Rolls-Royce owners at Las Vegas next week.

The gambling resort is to host Inter-Bike '83, the largest U.S. cycle show and a platform for Dr Moulton and other UK cycle makers and equipment suppliers on tour with the British Overseas Trade Board.

In his advanced engineering bicycle Dr Moulton has perfected one of the most aesthetically pleasing solutions for transporting a person on two pedal-powered wheels. At £399 for the cheapest two-speed model it is also one of the most expensive on two small wheels.

These high prices and the likely exclusivity of the cycle are the main reasons for the machine not to be regarded by the UK cycle industry as a threat to the growing market for small-wheel adult cycles, or to the rapidly growing market for small-wheel children's BMX (bicycle motor-cross machines).

The Moulton cycle has a passing resemblance to the rigid lattice structure of the Forth Railway Bridge. Gone are the conventional tubular metal diamond shaped frames of the classic bicycle invented in the 1880s. In their place is a novel, immensely strong precision-engineered "space frame" of thin alloy tubes.

This energy efficient design allows all pedalling energy to go into propelling the cycle. The rigid frame resists twisting, a problem with cheaper small cycles.

The 17in wheels with tyres from France and inflated to three times the pressure of a family car have independent suspensions. This reflects Dr Moulton's professional work of designing suspension systems for production by Dunlop for BL cars.

The suspensions are designed and developed by Moulton Developments, an associate company of Dunlop, which owns 52 per cent, the balance being owned by Moulton.

With successes in the mass car market why has Alex Moulton ventured again into the world of precision cycles? His last entry to the cycle market, his small unisex cycle, revolutionised cycle industry thinking. This was the original Moulton the production licence of which he sold to Raleigh, Britain's main cycle maker, in 1967.

The Alex Moulton AM7 advanced engineering bicycle.

Little was heard about Moulton's interest in cycles until he started researching frame structures in 1975. This work was perfected in his advanced engineering bicycle.

He has modest targets for penetrating the world cycle market. Moulton hopes to sell 1,000 to 2,000 of his new cycles in the developed world. The Third World does not feature in his marketing plans.

A thousand sales a year in Britain would gain Moulton one third of 1 per cent of the UK market for small-wheel adult cycles. Mr Jim Ryan, director of the Bicycle Association of Great Britain, said: "This cycle is not for the common man."

Britain's cycle market last year took delivery of 1.73m cycles, including children's play cycles. Of this, 15 per cent, 260,000 cycles, were adult small-wheel cycles. Similar volumes of deliveries to the shops are expected this year.

Imports to Britain fell last year to 624,000 cycles, 36 per cent of the total home market deliveries, compared with 42.4 per cent of the market of 1.5m cycles delivered in 1981.

Exports also declined, from more than 746,000 bicycles in 1980 to just 182,000, including play cycles, last year.

Raleigh, part of TI Group, dominated the UK market, with 49 per cent of total deliveries at the end of last year compared with 38 per cent at the end of 1981.

Other makers in the small-wheel cycle market include Comrade Cycles of Darlaston, West Midlands, which makes cycles for sale under other names as well as under its Marlborough brand name; Dawes Cycle of Birmingham; Falcon Cycles of Brigg, Humberside; W. R. Pashley of Stratford-upon-Avon; Bickerton-Rawlinson of Hertfordshire and Brompton Bicycles of Kew.

Raleigh, in spite of its dominance of the UK cycle market, cut 600 jobs last month as part of a £5m modernisation programme that will bring robots and automation to its Nottingham works.

The main sources of imports are West Germany and Italy, the latter especially important for small-wheel cycles. France is not a large exporter and the Far East is of limited consequence, according to the Bicycle Association of Great Britain.

Taiwan, however, is poised to threaten the growing UK market for small-wheel children's fun-bicycles (BMX).

BMX have been well established in the U.S. for a decade. Raleigh started making them in Britain in April last year. By Christmas it had sold 140,000 in Britain. The sector is predicted to be the highest growth-sector this year, with many of the BMX machines sold to families where children already have conventional cycles.

Raleigh believes the impact of the small adult cycle is waning. Imports flooded to Britain in 1979 in the wake of the engineering and transport strikes.

A high proportion of the buyers of these cheap, imported small adult cycles were women. Raleigh responded with cycles designed specifically for women, with short-reach brakes, a wider range of colours and improved saddles, instead of offering simple female versions of male cycles.

This is stemming imports of cheaper small cycles. Raleigh is confident it will have more than half the UK market this year. At the same time the company is not interested in taking on Alex Moulton's advanced engineering ideas.

This does not worry Dr Moulton. "I am keen to maintain the desirability aspect of the cycle," he said.

He does not want everybody to have one and does not believe there will be a market for such a finely engineered cycle based only on a lower selling price.

Making bicycles is also for Dr Moulton, an "intellectual, aesthetic, engineering and humanitarian challenge." He has been fascinated by cycle design since the 1956 fuel crisis. He bought a hand-made cycle and tried to improve it. The 1962 Moulton unisex cycle was the outcome — 150,000 were made.

A Moulton competitor, Mr Andrew Ritchie, the designer and managing director of Brompton Bicycles, described the new Moulton as "a very nice piece of engineering." He said, however, that Dr Moulton had "gone over the top with this one." It was a "personal indulgence."

Dr Moulton is not discouraged. He remains fascinated by the "subtle interplay of man and instrument" (his name for a bicycle) and regards the bicycle as "one of the few totally comprehensible devices made by man."

He regards his advanced-engineering bicycle as a "design statement." Others can follow if they wish. The design is patented.

Already the cycle is seen as "the biggest challenge to the orthodox-frame cycle this century." Dr Moulton has yet more design ideas up his sleeve. He has already wind-tunnel-tested an energy-saving fairing, like that of a motor-cycle, for his pedal-cycle.

The pensions debate: early leavers, inflation and costs

From Mr D. Tallon

Sir,—Amidst all the current thunder in favour of early leavers, is it permissible to ask whether there is any need for moral, let alone statutory, pressure on employers to shower the early leavers with money as well as blessings?

There are, possibly, two exceptions. Clearly the leaver should be dealt with fairly as regards his own past contributions, although the employer, who assumed a working lifetime in his calculations, should be entitled to credit *his* past contributions for the benefit of the fund itself. Secondly, early retirement for those over, say, 55 should also be treated equitably, as they usually are by responsible companies under voluntary redundancy schemes.

In the meantime, the true entrepreneurial self-starters, in whom rest many of this Government's ambitions and hopes for the future, are, I submit, unlikely to be influenced by such calculations.

D. S. Tallon,
Deardon Farrow,
1, Serjeants' Inn, EC4.

Dragooned

From Mr P. Nunn

Sir,—John Plender in his article "Stopping the pensions shrink" (September 10) makes a number of sweeping statements and, not for the first time, attacks the pensions industry for being "unresponsive" and "failing to deliver." But his arguments leave more questions unanswered than answered.

He accuses employers of "dragooning" employees into company pension schemes but I wonder how many of those employees would make any serious attempt to provide for their own retirement if they were not in a company scheme?

Mr Plender concentrates on pension schemes and does not say whether he feels those same employees should be "dragooned" into company arrangements to provide death-in-service and, perhaps most importantly, salary continuation cover for long term ill-health or whether employees should also bear personal responsibility for making these arrangements.

He concedes that the cost of providing everyone with a pension at two-thirds final salary would be "high" but does not add that more than a few companies have been forced into liquidation in the recent past by the need to maintain current pension fund contributions. Can he really believe that the long stay employee will accept a lower overall level of benefit in order to help finance an improvement of the lot of the "early leaver" many, although admittedly by no means all, of whom leave because they expect the grass to be greener elsewhere?

Mr Plender refers to the recent report of the Centre for Policy Studies but like the report he fails to indicate a funding basis, although he does concede that the Centre's approach would involve "considerable administrative complexities."

The present provision of occupational pensions is in many cases, inadequate and I would welcome the adoption of the recommendations of the Occupational Pensions Board in respect of limited guaranteed increases in both pensions in payment and deferred pensions. I would also urge both employers and pension consultants to stress the advantages of additional voluntary contributions.

But most of all I would express concern at the number of companies who yet make no pension provisions for their employees.

P. G. Nunn.
East House, Moss Lane.
Pinner, Middx

Ages

From Mr T. G. Arthur.

Sir,—Samuel Brittan, (Lombard, September 12) rightly argues that raising the state retirement age would reduce public expenditure and would not necessarily increased unemployment (he does not say that it is likely to reduce unemployment, although via lower taxation that is exactly what it would do).

In one respect, however, Mr Brittan's thinking is as muddled as those whom he berates for using the "unemployment" argument against raising the retirement age. He states that the retired population can be maintained only by transfers from those still at work, irrespective of whether or not pension arrangements are state or occupational, unfunded or funded. It is distressing to read Mr Brittan arguing that funded occupational scheme benefits are provided by direct transfer from worker to pensioner; one would have hoped that an economist with libertarian sympathies might have stopped to think about property rights. Previously accumulated funds, from which benefits are paid, have nothing whatsoever to do with a new employee and no resources are being transferred from him to the pensioner.

Any moral philosophy which cares about individual rights will immediately recognise this. Any micro-economic analysis will confirm it; the ability to pay pensions to the retired from a properly funded scheme is independent of the number of workers who happen to be on the payroll at the time.

Even at the (highly suspect) macro level, accumulated funds represent the capital stock which is as important as current manpower to any economy, which cannot function without either. The return on capital, representing payments to pensioners, represents resources which would not be available to workers in the first place in the absence of that capital, which was formed by the abstinence from consumption of the previous (now retired) working population.

The trouble with the state scheme is precisely that it was not funded and is therefore vulnerable to an ageing population.

T. G. Arthur,
17 Highfield Road, Edgbaston, Birmingham.

Benefits

From Mr J. Newman

Sir,—In his article of September 8 Lombard again raises the, by now, somewhat hoary, issue of employers inflation proofing pensions for early leavers but without figures conclusions are difficult.

With a total contribution rate of 12 per cent of salary per year, and an inflation rate of 8 per cent compound p.a. an employee aged 25 now earning £8,000 a year would be earning £15,991 during his 10th year and £160,920 during his 40th year. If he leaves employment at the end of the 10th year he would normally be given a deferred pension of 10/40 X ⅔ X £15,991 i.e. £2,665 p.a. payable from age 65. The contributions paid into the scheme fund would however be £13,903 during the 10 years and investment income at 8 per cent p.a. would be £6,913 making a total of £20,816. However the deferred annuity of £2,665 would only cost £2,403 for immediate purchase at an investment rate of 8 per cent p.a. and an annuity rate of 11 per cent in 30 years' time.

If the total amount accumulated during the 10 years of £20,816 was invested at 8 per cent compound for a further 30 years it would amount to £209,450 which at an annuity rate of 11 per cent would provide a pension of £23,039 at age 65.

There appears to be a case therefore for making benefits available taxed on contributions of a percentage of salaries, such benefits being available to employees whenever they cease employment or when a scheme is terminated.

For a starting salary of £8,000 increasing by 8 per cent compound the projected cash sum available from a contribution rate of 7 per cent from a leading society allowing for present bonus rates (which might however have to be reduced at times) would be £43,672 after 15 years, £197,306 after 25 years and £1,459,000 after 40 years which amounts would purchase quite substantial annuities in relation to salaries at retirement. Such schemes are freely available and are drawn up to comply with Inland Revenue requirements.

J. Newman,
13 Wellers Way,
Hoddesdon, Herts.

Retirement

From the Chairman,
Charles Colston Group

Sir,—Samuel Brittan (Lombard, September 12) puts his finger right on the button in his argument that a higher retirement age would be helpful in solving Britain's economic problems.

Unhappily, both Dr David Owen and Mr Terry Duffy during the recent round of conferences made the very error to which Brittan refers—namely that there are more workers than we need; unemployment is here to stay — the new technology will see to that. Therefore, they argue, we must reduce the working population through early retirement, shorter working week and longer holidays, etc. The remedies suggested by these well-meaning men will increase unit costs, reduce competitiveness, reduce sales and give another twist to the unemployment spiral. In fact the current technological revolution will help us to reduce costs still further and more dramatically and devise goods and services never dreamed of in years gone by. This will increase the prospects for employment in the long run.

Most leading economists accept that the process of conquering inflation is bound to lead to increased unemployment in the first instance and our present predicament illustrates this point painfully well. But the prospects have seldom looked brighter.

Michael Colston.
P.O. Box 15, Henley-on-Thames, Oxon.

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

House of Fraser 4½pcPf (£1) 38 (9/9). 6pcLn 1993-98 £55½ (14/9). 8¼pcLn 1993-98 £73
Howard and Wyndham (20p) 3½ 4. NV (20p) 3. 9pcPf 1999 (20p) 11½
Humphries Hldgs 27 (13/9)

I—J—K

(13/9). 9pcLn 1990-95 £73½ 5 (13/9)
Sterling Indus 1st Pf (5½pc Cum) (£1) 37
Stoddard (Hldgs) (10p) 20. 4pcPf (£1) 28 (13/9)
Stothert & Pitt 5pcPf (£1) 32 4 (9/9)
Sunbeam Wolsey (Ir£0.25) Ir£0.44½ 35½ 6½ (13/9)
Sunlight Service Gp 6½pcPf (£1) 68½ (13/9)
Superdrug Stores (10p) 245 6 7 8 50

Personal Assets Tst (12.5p) 32 3 4
RIT & Northern wts to subsc for 78 5 80. 4.825pcPf (£1) 60. 5pcPf (£1) 61 (13/9). 7½pcDb 1984-89 £91 (13/9)
Raeburn Invest Tst 5pcPf £47½ (9/9)
Rights and Issues Invest Tst 43 4. 7½pcPf (£1) 71
River & Mercantile Tst 5½pcPf £46 (14/9)
River Plate & Gen Invest Tst Wts to subsc for Ord 45 (13/9)

Regis Pty Hldgs 8½pcLn 1987-97 £74½ (9/9)
Sterling Ests 8pc1stDb 1988-93 £77½ ½
Sterling Guarantee Tst 14pcLn 1994-99 £129½
Town City Props 8pcSubLn 1997-99 £69¼ (14/9)
Town Centre Secs 9pcCnvLn 1996-2000 £95½ 6½ (14/9)
Trafford Park Ests 9pc1stDb 1991-96

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

Southern Business Leasing ...
Sunleigh Electronics (10p) 16 ½ 7
Technology for Business (10p) 80 1½
Television South 14.20pcLn 1986-88 £114 ½ (13/9)
Thorpac Gp (5p) 46 (14/9)
United Friendly Insur B (10p) 203
Willaire Systems 4½

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 90 (13/9)
AOG Minerals 19
Aberfoyle 545
Acmex Hldgs 42 (13/9)
Acorn Secs 550 70
Agnico-Eagle Mines £10¼
Algoma Central Railway 975⊕ (13/9)
Alliance Oil Dev 84
Amatil 160
American Cyanamid £35 (13/9)
American Electric Power £12⊕ (14/9)
American Standard £22
Ampol Expln 221⊕
Ampol 118
Anglo United Dev 63 5 8
Apex Oil (A$0.25) 11 (14/9)
Ashton Mining 106 (14/9)
Atlas Industries 39 41 (14/9)

...

Timor Oil 41⊕ ½
Tri-Continental Corp £17 ...
Tubemakers ...
Union Pacific Corp £38½⊕
United Goldfields Corp 51
Valiant Cons 20 1
VAM 35½ (12/9)
Vereeniging Refractories 370 (9/9)
Warn Lasa Class B £20¾ (13/9)
Waste Management £30½
West Coast Transmission 762½
Western Union Corp US$34½ (12/9)
Westfield Minerals 150
Windsor Resources 35 ...
Woolworths (A$0.50) 134
World Intnl (Hldgs) 13½ ...
Wormald Intnl 187 (14/9)
Zone Petroleum 205

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Atlantic Bldg Soc 11½ Bds 19.10.87 £99.020 925
Ann Street Brewery £1 400 8
Ascot (10p) 12½ ½ 13
Biotechnology Invs £12 ¼ $17½
Brycen Oil and Gas (20p) 175
Calder Water Bd A Red Anns £37½ 8½
Cannon St Invs (20p) 3 (9/9)
Carrauh (10p) 24 ½ 5
Central Independent TV (50p) 169 71
Channel Hotels and Props (10p) 21 2 (9/9)
Checkpoint Europe 464 5 (14/9)
Church Army Hsg Soc 2½pcLn £10 (14/9)
CIC Inv (1p) 1 ... (14/9)
Coahlans Props (£1) 110 20 (12/9)
Cephian Props 7pcLn £35 40 (12/9)
Comml Bank of Wales £153 6 (12/9)
Dollar Land (£1) 44 7 (9/9)
Douglas Gas Light £1 190 (11/9)
Durkwari Tea and Rubber Ests (10p) 19 22 (14/9)
Eastbourne Wtrwks (£1) (4.9pcMaxDiv) 25 8 (13/9)
Electrak (50p) 229 30
Electrak (50p) 229 30. 6pcPf (£1) 169 ½ 70 (14/9)
Farmer Stemal (10p) 145 7 8
General Elect 12½pcUnsNts 1986 £98 (9/9)
Grampian TV (10p) 58 73

...

Shepherd Neame A (£1) 720 30 (14/9)
... Quay Invs £1,110 (13/9)
... News (£1) 198 ½ 200
... Invs (10p) 47 ... 9 50 (13/9)
Tottenham Hotspur 95 100
... Tin Areas (12½p) 6 7
Walford Maritime (£1) 42 4 (13/9)
... A (Non-Vtg) 80 ½ (4/9)
Winchmore 24½ 5 (13/9)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Century Petroleum and Natural Resources ...5110
Cannley Resources 31 ¼ 2

(By permission of the Stock Exchange Council)

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

Target Trust Mgrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441
Gld Cur Fd 95.5 100.7 ... —
Tyndall-Guardian Management Ltd

هكذا فى الأصل

Strong first quarter advance at Esselte

By David Brown in Stockholm

ESSELTE, the Swedish office supplies, graphics and packaging group, showed a sharp rise in pre-tax profits, from SKr 55m to SKr 93m ($11.9m), for the first quarter of the year ending June, 1984.

Sales are expected to rise on a 12-month basis by 13 per cent to about SKr 7.9bn, with results climbing "significantly faster," Mr Sven Wallgren, the chief executive, predicted in Stockholm. Pre-tax earnings for 1982-1983 were SKr 322m.

Three months' sales climbed by 22 per cent to SKr 1.8bn compared with the same period last year. This was the result of the effects of last year's 16 per cent Swedish devaluation on foreign currency-denominated operations, and a volume growth of about 10 per cent. Of total sales, 60 per cent were generated abroad.

Mr Wallgren cautioned the sharp rise in earnings was not to be considered representative of the expected full-year performance because of seasonal fluctuations at the start and end of the fiscal year. The shareholders agreed to move to a calendar year at the start of 1984.

The effect of this change will make 1983 a nine-month operating year.

Reynolds names chief executive

By Our New York Staff

MR J. TYLEE WILSON, president of R. J. Reynolds Industries, the major U.S. conglomerate, is to take over as chief executive, ending months of speculation. He replaces Mr J. Paul Sticht, 66, who has headed the group since 1978.

Mr Sticht was scheduled to retire last April but was asked to stay on until a successor could be chosen. Mr Sticht will remain group chairman.

Komatsu posts 14% fall in six-month earnings

BY YOKO SHIBATA IN TOKYO

KOMATSU, the world's second largest manufacturer of construction machinery, yesterday reported a 14 per cent fall in first-half consolidated net profits to Y14.75bn ($60.3m).

Sales fell 3.1 per cent in the period, which ended June 30 to Y384.2bn. Consolidated net profits per share slipped back to Y18.29, from Y21.82 in the previous year.

The fall in sales, the first in seven years, was blamed on stagnant sales at overseas subsidiaries, in particular, Brazil and Australia.

Overseas sales were hard hit by fierce price cutting among Japanese and overseas construction machinery makers. Although exports of construction machinery increased in volume, total exports fell in value by 5.5 per cent to account for 56 per cent of the total turnover. Domestic sales stood still, up by 0.1 per cent from the previous year.

Domestic demand for construction machinery has begun to pick up, thanks to the Government's economic measures stimulating the implementation of public works programmes in fiscal 1983.

But export orders from the Middle East and South East Asia remained weak, reflecting the worsening economic situation of countries in these areas.

For the current full fiscal year ending December 1983, Komatsu projects consolidated sales to be Y30bn lower than the previous year's level of Y780bn. The company also forecasts a fall in consolidated earnings, its first in six years.

Wintershall to cut refining loss

BY JOHN DAVIES IN FRANKFURT

WINTERSHALL, the West German oil, gas and chemical group, expects to cut its losses on oil refining this year, but sees no basic turnround in this problem area.

Herr Heinz Wüstefeld, the chief executive, said oil refining losses should be reduced to little more than DM 200m ($75m) compared with more than DM 300m last year.

He said prices of oil products had stabilised after a drastic fall under strong competitive pressure in the first quarter of this year. But even so, refining operations were still losing between DM 25 and DM 30 a tonne.

Herr Wüstefeld said the company had taken a step in the right direction with the closure of about a third of its Mannheim oil refinery capacity this year to 3.5m tonnes a year.

Wintershall, which is a subsidiary of the BASF chemical group, expects sales revenues to reach about DM 10bn again this year. Group revenue in the first half of the year reached DM 5.1bn.

Group crude oil and gas production activities were progressing satisfactorily. In the first half of this year, output was up 5 per cent on last year at 1.37m tonnes. Crude oil output is expected to rise by 10 per cent this year.

Wintershall is investing about DM 200m on oil and gas exploration this year, compared with DM 249m in 1982. Exploration in the U.S. is to be intensified.

Checkers makes good start to year

BY OUR JOHANNESBURG CORRESPONDENT

CHECKERS, South Africa's largest supermarket chain, is again profitable. According to Mr Nathan Kirsh, the chairman, the company earned a satisfactory profit in July and preliminary indications are that the trend continued in August. However, in the 52 weeks ended July 2 1983, Checkers incurred a pre-tax loss of R12.3m ($11m) against a pre-tax loss of R16.5m in the 53 weeks to July 3 1982. Turnover of continuing operations rose slightly to R1.15bn from R1.12bn.

Mr Kirsh says that the group's management is satisfied that all problem areas have now been addressed and that proper financial disciplines and administrative procedures are operating effectively. He adds that the current year's sales are ahead of budget and represent real growth over the previous corresponding period. Mr Kirsh expects the company to operate profitably during the whole of the current financial year, unless there is a marked deterioration in trading conditions.

The loss from continuing operations increasd slightly to 276.2 cents a share from 264.3 cents.

Temporary credit line for Osborne Computer

By Louise Kehoe in San Francisco

A FEDERAL bankruptcy court in Oakland, California, yesterday authorised temporary financing for Osborne Computer, the portable computer manufacturer which on Monday filed for Chapter 11 protection under U.S. bankruptcy laws.

Security Pacific Bank, Chemical Bank of New York and National Bank of North America have agreed to extend a combined credit line of $600,000 to keep Osborne afloat for a few weeks. According to Security Pacific, Osborne's chief lending bank, the company's current expenses total about $100,000 a week.

About 80 employees remain at Osborne, where efforts to complete development of a new version of the Osborne personal computer continue. Mr Adam Osborne, Osborne chairman, said last month that the new model would run programmes designed for the IBM personal computer. He believes the IBM-compatible computer could return Osborne to its previous glory as the leading U.S. manufacturer of portable computers.

Osborne is also trying to sell off its "large" inventory of older models.

According to documents filed in the bankruptcy proceedings, Osborne's major creditors include Testology, a printed circuit board maker, which is owed $1.5m; Siemens Company of Santa Clara, California, owed $1m for electronic parts; and Dysan, owed $1m for computer discs.

In Canada, Lanpar Technologies said that it would go ahead with plans to manufacture Osborne computers under an exclusive Canadian distribution and manufacturing licence agreement.

Thomson-CGE link opposed by PTT

BY DAVID HOUSEGO IN PARIS

THE French Ministry of Posts and Telecommunications (PTT) has come out in open opposition to plans to form a single telephone equipment company in France.

PTT officials confirmed yesterday that the Ministry had written a strongly worded memorandum setting out its objections to proposals by Thomson and CGE, the two state-owned electronics and telecommunications groups, to bring together their telecommunications interests.

The Ministry, which has long fought to maintain alternative equipment suppliers in France, says that a single company could only provide 65 per cent of French domestic needs. Two national telecommunications companies, the PTT argues, could, however, provide 90 per cent of French requirements for telecommunications equipment leaving only a small gap to be filled by imports.

PTT says a merger would leave Bull, the French state-owned computer manufacturer which also has other office equipment and electronics interests, increasingly isolated. Reflecting trade union fears, the Ministry says that a merger would lead to further lay-offs apart from those expected at CGCT, the former ITT subsidiary which the Government has taken over.

Under plans drawn up by Thomson and CGE, Thomson would divest itself of its loss-making communications division. This would be transformed into a new unit under a holding company in which the state would take a 49.9 per cent stake and inject fresh capital. Thomson would temporarily hold the rest of the shares before hiving off a 10 per cent interest and management control to CGE.

Because CGE has majority control in Cit-Alcatel, the telecommunications company, the new link would inevitably be the prelude to a merger between Cit-Alcatel and Thomson's telecomunications division. The new company would be seeking about FFr 1bn ($123.7m) from the Government in fresh capital.

Dyno plans rights issue

BY FAY GJESTER IN OSLO

DYNO INDUSTRIER, the Norwegian chemicals group, plans to raise NKr 92m ($13.3m) through a rights issue following the Government's decision to allow greater foreign shareholding in the group.

Terms are to be one-for-three at NKr 175 each, which compares with a current stock market value of the shares of NKr 300.

The issue coincides with a decision by Norway's authorities to increase from 20 to 40 per cent the proportion of Dyno shares which may be held by foreigners. At present Norsk Hydro's holding, at 20 per cent, filled the group's old quota.

Hydro, as a major internationally traded share, is regarded as a "foreign" company, in this connection.

● Borregaard, the chemicals and forest products group, will not make a counterbid for Saugbrugsforeningen, a forest products company, currently the object of a takeover bid by Kosmos, a Norwegian shipping concern.

In a bid worth $15m, Kosmos has offered NKr 225 per share for Saugbrugsforeningen. Borregaard has been mooted as a counter bidder.

LTV wins $1.2bn order from U.S. army

By William Hall in New York

LTV, the Dallas-based conglomerate which has been suffering from its big exposure in the hard-hit U.S. steel and energy industries, has won a $1.2bn order from the U.S. army for a multiple launch rocket system (MLRS).

The order, the largest in the company's history as a defence contractor, calls for the delivery of 149 rocket launchers and 250,980 rockets.

MLRS is a battlefield artillery system developed jointly by the U.S., UK, West Germany, and Italy to complement cannon artillery and help overcome the Warsaw Pact superiority in ground forces.

The work will be carried out by LTV's Vought missiles and advanced programmes division facility in East Camden, Arkansas, where LTV has produced more than 50 rocket launchers and 3500 MLRS rockets.

Wang computer system tie-up

By Our New York Staff

WANG LABORATORIES, the fast growing U.S. computer group, has reached an agreement with a neighbouring Massachusetts company, Bolt Beranek and Newman, to design and install a large network system which will connect computers together across the country.

This week Wang sold its 4.3 per cent stake in the California-based Tymshare, the biggest U.S. computer time sharing group. Tymshare's earnings have fallen sharply over the last couple of years and there had been speculation that Wang might make a takeover bid for the company so that it could gain access to Tymshare's Tymnet unit, which operates a telecommunications unit connecting a network of computers.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

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INSURANCES

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BP sale and U.S. money supply doubts curb business

Gilts up 24 —Golds under pressure again

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24

* "New-time" dealings may take place from 9.30 am two business days earlier

The week's dominating influences of the Government's BP *share sale and uncertainty* generated by the U.S. money supply figures continued in operation yesterday. End-Account considerations also played a part in restraining *investment* activity.

Gilt-edged, the firmest section of the markets this week, started the session unchanged to a fraction firmer but were soon showing gains extending to ⅜ across the board. The biggest early rise was in **Treasury 2 per cent 1988** index-linked which was finally ⅜ harder for a two-day gain of 1⅜ to 103⅞. Sentiment here and in low-coupon short-dated conventional stocks was still buoyed by thoughts of the substantial sums that may be looking for a new home ahead of the closure at the end of the year of the tax loophole on overseas roll-up funds.

Official supplies of **Exchequer 2½ per cent 1987** were exhausted in the early trade and, in first-time dealings, the Government broker sold a small amount of his existing tap, **Treasury 10 per cent 1987**, at 20½ for the £20-paid stock. Elsewhere in the shorts, gains ranged to ¼ while rises in longer-dated issues stretched to ⅜ and occasionally more. The Government Securities index gained 0.33 to end the week 1.17 up at 81.15 with its best rise on a week since mid-July.

The announcement that 130m BP shares are to be offered at a minimum tender price of 405p, as against yesterday's close of 426p, payable as to 200p at tender with the balance due on January 11, saw the equity *market sagging from the start* on lack of interest. Wall Street's overnight drop of 14 points on interest rate fears related to concern about U.S. monetary growth had already put a *damper on sentiment*.

Down 3.6 at 10 am, the FT 30-share index was showing a loss of 6.5 in the late afternoon but picked up to close a net 2.7 easier at 694.2 for a fall on the *week of 10.7: yesterday's close* was the lowest since July 18 last. The FT-Actuaries three main indices also gave ground, the All-Share ending the week 7.96 down at 442.25. Yesterday's *late pick-up in leading shares* reflected technical influences due to the start of a new trading Account on Monday.

South African Golds had another depressing day. The *gold price slipped ½ to $406½* an ounce, but held above the $400 level threatened earlier in the week. The Gold Mines index fell 5 points to extend its loss on the week to 48.9 at 642.1, thus giving up its *rally* recorded over the previous four weeks.

A quiet session in banks was featured by weakness in **Barclays** *which fell 13 to 475p* reflecting activity in the Traded Option market. Other major clearers drifted lower for want of support. **Lloyds** relinquished 5 to 500p and **NatWest** softened a couple of pence to 608p.

Still reflecting Government proposals to change the pension rights for employees wishing to change jobs, Life issues gave *further ground*. **Sun Life** lost 12 to 543p, while **Prudential** declined 6 to 432p as did **Legal and General**, to 472p. Currency considerations prompted dullness in selected Lloyds Brokers. **C. E. Heath** *dropped 12 to 288p* and **Willis Faber** shed 7 to 540p.

Recent newcomers to the Unlisted Securities Market were featured by **Real Time Control** which rose 10 to the best yet of 190p.

Breweries were inclined easier, where changed. **Bass**, a dull market since the announcement of the bingo chain deal with Thorn EMI earlier in the *week*, gave up 5 more to *310p*. **Boddingtons**, still reflecting the disappointing interim statement, eased 2 more to 107p.

Building issues trended easier in subdued trading, but **Breedon and Cloud** provided a bright spot at 255p, up 20, on the good interim results and final dividend forecast. **Conder**, in contrast, slumped 17 to 33p, on the bigger half-year trading loss and omission of the interim dividend. **SGB** came on offer and *fell 10 to 132p, while* **J. Jarvis** eased 5 to 270p and falls of 4 were marked against **John Finlan**, 202p, and **J. Mowlem**, 188p. **Magnet and Southerns**, 2 cheaper at 152p, failed to benefit from the chairman's encouraging statement at the annual meeting. **Taylor Woodrow** gave up 9 to 535p, while **Cocksedge**, reflecting the passing of the preference dividend, fell 4 to 26p.

ICI again traded quietly but ended 4 to the good at 528p, sentiment being helped by the company's announcement of the disposal of its U.S. Gulf Coast oil and gas interests and its 10 per cent interest in OCS lease P.0316 offshore California. Elsewhere in Chemicals, **Brent** eased 4 to 104p and **Horace Cory** 3½ to 18p, the latter following lower interim profits.

IBS good

Buyers returned for **Meltins** and the shares rallied 8 to 110p, after 112p, on relief that the company will incur no financial loss and cease to have a relationship with Bambers Stores now that the latter is going into voluntary liquidation. Elsewhere in Stores, **Executex Clothes** improved 2 to 30p in response to the interim profits upsurge. **Marks and Spencer** hardened a penny to 201p among the leaders but **House of Fraser** gave up 4 to 234p; the latter's interim figures are scheduled for September 29.

Electricals were featured by *the strength of computer concerns* dealt in the Unlisted Securities Market. **Immediate Business Systems** rose 15 to 160p following the chairman's AGM remarks concerning possible U.S. and Chinese contracts, while **Micro Focus** advanced 40 to 620p, after 630p, on reports, later confirmed, that the group has the distinction as being the first USM stock to be made *available to U.S. citizens or residents* through the American Depositry Receipt Facility. **Consultants** also found support at 400p, up 20, and **JSD Computer** put on 3 to 34p. Elsewhere, the leaders displayed *no set trend* after a moderate *business*. *Still hoping* for naval radar contracts, **Plessey** put on 4 to 206p. **Thorn EMI** softened 5 more to 593p and **GEC** closed 2 off at 192p, after *189p*.

Leading Engineerings rallied late with the notable exception of **Hawker Siddeley**, which furthered the recent downdrift to close 4 lower at 286p. *Secondary stocks were also easier for* choice and **Bullough** ended 7 down at 228p, **Tace** 6 off at 116p and **Clayton Son** a similar amount easier at 60p. **Ransomes Sims** dropped to 245p prior to *staging a late recovery which* brought a close of 2 up on balance at 254p: the group was mentioned in a news sheet. **Telfos** moved up to 44p following the bid of 40*p* cash per *share from* **Plantations and General** before settling 4 up on the day at 42p; Telfos also announced good interim results. **Belgrave (Blackheath)** gained 3 more to 100p, but **Blackwood Hodge's** troubles continued with the price falling 2 to a low for the year of 14p on the first-half loss.

Foods often retained their recent firmness. **Bejam** gained 4 more to 151p ahead of results expected next month, while **Lennons** spurted to 44p before closing 4 up on balance at 41p. **Danish Bacon A** were marked 6 higher to 60p, but **Northern Foods** reacted 2 further to a low for the year of 160p amid worries about the group's U.S. interests. **FMC** halved a loss of 4 after-hours to end a net 2 down at 45p following news that the Eire plant sale had been completed.

Wheeler's Restaurants continued higher to 485p, a fresh rise of 35, but **Kennedy Brookes**, considered the likeliest of three *rumoured candidates to bid for* the group, slipped 5 to 255p. **Rowton Hotels** came back 5 to 185p after the interim results, but **Epicure** *improved* to 40p on the scrip issue which accompanied the first-half *figures*.

Chubb lower

End-Account influences and the BP tender offer for sale restricted business in the miscellaneous industrial leaders. **BTR** moved up 8 to 520p and **Metal Box** improved 6 to 236p, while **Bowater** hardened a penny to 208p with the help of an investment recommendation. **Unilever**, on the other hand, lost 13 to 787p and **Fisons**, awaiting interim figures due on Monday, relinquished 5 to 715p. Elsewhere, **Chubb** fell 8 to 140p on reports of a disappointing analysts' meeting with the company on Thursday. **British Aerospace**, a firm market earlier in the week following the interim results and chairman's encouraging statement, reacted 6 on profit-taking to 189p. Still reflecting the lower first-half profits, **Oriflame** fell 25 for a two-day relapse of 75 at 825p. **Associated British Ports**, however, advanced *10 to 202p after comment on the* half-year results.

Lex Service came under pressure and slipped to 318p before rallying after-hours to close a net 7 down at 321p. Other Motor *Distributors also* tended *easier* with **Harold Perry** losing 3 to 83p following the chairman's reference to second-half prospects, **Henlys** also shed 3, to 79p, but **Kennings** hardened the turn to 108p on investment comment.

Still reflecting the increased half-year results, **Liverpool Daily Post** improved 2 more to 185p. *Elsewhere*, **Haynes Publishing**, which announced good preliminary results a week ago, rose 8 to 193p. **Wight Collins** picked up 2 at 282p on investment advice, but **Associated Paper** lost 2 ex the rights issue at 89p; *the* latter's new nil-paid shares settled at 9p premium.

Properties were marked lower at the opening and stayed that way. Falls of a few pence were seen in the leaders with **Land Securities** easing to 309p and **MEPC** to 209p. Elsewhere, **Chesterfield** gave up 5 to 315p as did **Stock Conversion**, to 275p. **Trafford Park**, however, rose 4 to 136p and **London Shop** improved 2 to 148p in belated response to their trading statements announced on Thursday.

Shippings were noteworthy for a fresh gain of 10 to 870p in **British and Commonwealth**, with **Caledonia Investments** improving a like amount to 770p. **P & O** deferred, down 2 at 222p, met scattered profit-taking after an upward flurry earlier in the week on news of the Sterling Guarantee stake in the company.

Among South African Industrials, **Checkers Stores A** rose 30 to 250p on the reduced loss.

Textiles were rarely altered, but **Sirdar** hardened a penny more to 191p on response to the results and proposed one-for-one scrip issue. On the other hand, profit-taking after the good half-year figures left **British Mohair** 3 cheaper at 87p.

Trusts reflected the easier trend in equities, falls of around 4 being recorded in **Border and Southern** and **Fleming Overseas**, 240p. Among Financials, **Yule Catto** hardened 3 to 155p on the increased interim profits.

Late rally in Oils

Confirmation of the Government sale of BP shares and the announcement later in the day of full details of the proposed issue helped to clear the recent uncertainty in the Oil market and helped towards a late rally in quotations. **BP**, down to 422p at one stage, rallied to finish only 2 off on balance at 426p. **Shell** ended 6 down at 620p, after 618p. **Burmah** closed a couple of pence firmer at 179p, while **Tricentrol** also managed a gain of 4 to 234p, after 226p. Irish stocks also rallied late, **Atlantic Resources** settling 5 to the good at 365p, *after being down to* 335p. **Eglinton** touched 235p before ending 5 off on balance at 255p. Elsewhere, **Jackson Exploration** fell to 75p on the interim loss, but picked up to close 4 cheaper *on the day at 81p*. **Petrocon**, still on the sharply lower interim profits, eased 2 more to 115p.

A thoroughly bad week for *mining markets closed with all* the major sectors showing renewed weakness as precious and base metals either remained under pressure or failed to make any significant progress after sustaining heavy losses earlier in the week.

South African Golds were again marked down at the outset of trading and held at around *the lower levels until the late* afternoon when a modest rally became apparent.

The recovery movement lacked strength, however, and earlier losses remained sufficient to cause a further 5 point decline in the Gold Mines index to 642.1; the latter has fallen 52 points over the past four days.

Bullion was 50 cents easier at *$406.125 an ounce, a fall of $8.5* on the week.

Losses in the heavyweights were by no means substantial, but widespread falls in the region of ¼ to ⅜ were common throughout the list. **Doornfontein** proved a weak market and gave up ⅜ to £16¾, while **Hartebeest** were again persistently sold and fell ⅞ to £58¼.

South African Financials mirrored the weakness in Golds. **"Amgold"** dropped £1⅜ more to £84½, **Middle Wits** fell a point to £12¼ and recently-weak **De Beers** dipped 5 more to 610p.

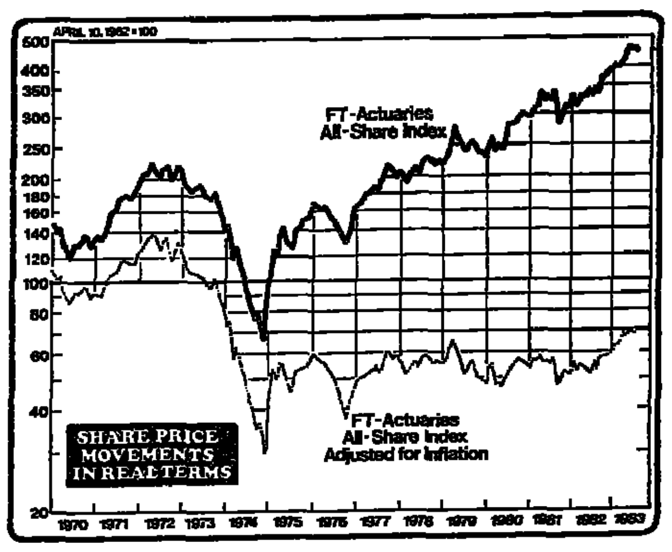
Recent heavy losses in base-metals were thought to have been responsible for exceptional weakness in **RTZ**. A relatively firm market throughout the early part of the week, RTZ dropped 20 to 630p ahead of the half-year results expected on Wednesday. **Gold Fields** dipped to 597p initially but staged a modest rally to close a net 10 cheaper at 600p despite the satisfactory results announced on Tuesday.

Platinums continued to attract sizeable selling after the retreat in free market platinum prices and reports of heavy selling from the Continent, especially West Germany, where **Rustenburg** are quoted on the Frankfurt Exchange. The latter were a major casualty and dropped 25 more to 720p—leaving the shares 130 down on the week—while **Impala** gave up 20 to 890p and **Lydenburg** 5 to 580p.

Weak metal prices, a downturn in overnight U.S. markets and general lack of interest left Australians with widespread losses. Among the leaders, **MIM** gave up 7 to 242p, **North Broken Hill** 9 to 186p and **Western Mining** 3 to 274p. Speculative Golds showed **Kitchener Mining** 12 down at 114p.

Elsewhere in the cheaper golds, **Allstate** gave up 2 to 48p, **Black Hill** a like amount to 51p, and **North Kalgurli** 4 to 74p.

Boosted by a flurry of activity in BP following the long-awaited terms of the Government's share sale, the number of Traded Options completed rose to 2,912 compared with the previous day's 1,849. In BP, 771 contracts *were done, comprising 535 calls* —207 in the January 420s'—and 236 puts.



FINANCIAL TIMES STOCK INDICES

	Sept. 16	Sept. 15	Sept. 14	Sept. 13	Sept. 12	Sept. 9	year ago
Government Secs. ...	81.15	80.82	80.82	80.82	80.82	79.98	77.53
Fixed Interest.........	83.51	83.14	83.09	83.11	83.08	82.42	78.76
Industrial Ord........	694.2	696.9	699.6	695.8	707.9	704.9	563.7
Gold Mines.............	642.1	647.1	666.8	674.2	694.5	691.0	363.1
Ord. Div. Yield........	4.92	4.91	4.88	4.89	4.82	4.83	5.15
Earnings, Yld.% (full)	9.72	9.69	96.3	9.77	9.62	9.66	11.39
P/E Ratio (net) (*).....	12.87	12.90	12.98	12.75	12.96	12.92	10.52
Total bargains.	19,696	18,532	18,624	19,744	19,184	18,020	17,548
Equity turnover £m.	—	234.62	169.66	182.92	190.32	190.52	154.31
Equity bargains.......	—	15,969	14,048	15,832	16,115	14,476	14,078
Shares traded (ml)....	—	137.7	108.3	115.2	128.9	121.2	112.5

10 am 693.3. 11 am 693.7. Noon 693 7. 1 pm 690 5.
2 pm 690 4. 3 pm 690.4.
Basis Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.
Latest Index 01-246 8026.
Nil=12.10.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs...	83.60 (15/8)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int....	84.74 (15/8)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord......	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 15	Sept. 14
—Daily		
Gilt Edged Bargains...	129.0	133.4
Equities Bargains...	103.5	91.0
Value	474.6	348.9
5-day Avrge		
Gilt-Edged Bargains...	145.0	146.4
Equities Bargains	99.1	97.7
Value........	391.4	382.6

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on *Thursday, September 15, 1983.*

Newspapers, Publishing	+56.62	All-Share Index	+16.58
Motors	+46.42	Gold Mines Index	+16.28
Oils	+46.40	Metals and Metal Products	+15.09
Other Industrial Materials	+42.53	500-Share Index	+14.03
Shipping and Transport	+42.53	Health and H'sehold Products	+13.86
Office Equipment	+36.92	Food Retailing	+13.54
Mining Finance	+35.20	*Property*	+11.53
Chemicals	+34.86	Insurance Brokers	+10.38
Packaging and Paper	+33.99	Industrial Group	+ 8.65
Merchant Banks	+33.39	Discount Houses	+ 6.60
Other Groups	+31.11	Engineering Contractors	+ 6.19
Banks	+28.61	Consumer Group	+ 5.92
Insurance (Life)	+28.30	Capital Goods	+ 4.56
Other Consumer	+28.02	*Food Manufacturing*	+ 4.32
Overseas Traders	+26.57	Building Materials	+ 2.96
Investment Trusts	+24.92	Mechanical Engineering	+ 2.22
Insurance (Composite)	+23.99	Stores	+ 0.83
Financial Group	+22.75	Contracting, Construction	− 2.03
Textiles	+22.47	Electricals	− 2.61
Leisure	+21.86	Brewers and Distillers	− 3.44
		Tobaccos	− 8.72

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16

For rate indications see end of Share Information Service

Money was given for the call of **Jefferson Smurfit, Sound Diffusion, ICL, Woodside, Cultus Pacific, W. E. Norton, Polly Peck, Mettoy, Inter-City, KCA International**, *Bats*, *UKO International*, **Bowater, Cornell, Kraft Products, MK Electric, Selincourt, Premier Consolidated, London and Liverpool** and **LCP**. A put was arranged in **Petbow**, while double options were transacted in **Selincourt** and **Cornell**.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Sept 16 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Sept 15 Index No.	Wed Sept 14 Index No.	Tues Sept 13 Index No.	Mon Sept 12 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
[illegible]														

FIXED INTEREST

PRICE INDICES	Fri Sept 16	Day's change %	Thur Sept 15	xd adj. today	xd adj. 1983 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Fri Sept 16	Thur Sept 15	Year ago (approx)	1983 Highs	1983 Lows
[illegible]					

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]					

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGE:—Bambers Stores (34) has been deleted and replaced by Octopus Publishing Group (32)

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (31)

BRITISH FUNDS (5)
Exchqr. 3pc 1984 | Treas. 10½pc 1989
Treas. 3pc 1985 | Redmptn. 3pc '86-96
Treas. 9½pc 1988
LOANS (1)
Nationwide 11¼pc 9.4.84
AMERICANS (1)
Colt Inds.
BANKS (1)
Bank Leumi (U.K.)
ELECTRICALS (2)
Lec Refrigeration | Micro Focus
ENGINEERING (2)
Richards (Leics.) | Telfos Hldgs.
FOODS (1)
Bluebird Confectionery
HOTELS (1)
Wheeler's Restnts.
INDUSTRIALS (8)
Assoc. Brit. Ports | Francis Inds.
Bridport-Gundry | Hartons Group
Consultants (Comp. & Fin.) | Midland Marts
Dominion Intl. | Wade Potteries
MOTORS (1)
Solex A
NEWSPAPERS (1)
Liverpool Daily Post
PROPERTY (1)
Lend Lease
TRUSTS (3)
N. Atlantic Secs. | Bremar Trust
Wemyss
OILS (2)
Offshore Oil | Ohio Res.
MINES (1)
Highwood Res.

NEW LOWS (40)

BREWERS (3)
Bell (A.) | Boddingtons
Do. 9½pc Cnv. 1999-2001
BUILDINGS (6)
Crouch Group | Jarvis (J.)
French Kier | Mowlem (J.)
H.A.T. Group | Redland
STORES (4)
GUS | NSS Newsagents
Do. A | Superdrug Stores
ELECTRICALS (6)
CPU Computers | Immed. Bus. Systems
Crystalate | Telefusion
ICL | Do. A N-V
ENGINEERING (6)
Blackwood Hodge | Farmer (S. W.)
Brown (J.) | Hawker Siddeley
Camseal | Staveley Inds.
FOODS (3)
Barrow Milling | Northern Foods
Meat Trade Suppliers
INDUSTRIALS (7)
G.R. (Hldgs.) | Rock
Johnson Matthey | *Russell (A.)*
Macarthys Pharm. | Transcontl. Servs.
Pritchard Services
LEISURE (1)
Intervision Video
MOTORS (1)
Davis (Godfrey)
TEXTILES (1)
Notts. Mfg.
TRUSTS (1)
Gresham House
MINES (1)
Admiral Mines

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	85	1	15	270	78	156
Corpns. Dom. and Foreign Bonds	21	—	57	92	21	277
Industrials	209	339	824	884	1,295	4,681
Financial and Props.	43	219	255	396	654	1,535
Oils	9	48	55	93	180	287
Plantations	1	6	14	10	16	79
Mines	15	72	76	123	328	369
Others	44	82	62	247	356	347
Totals	428	767	1,358	2,115	2,928	7,731

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Res.	365	+ 5	Inter-City Inv.	86	+ 1
Bejam	151	+ 4	Lennons Group	41	+ 4
Chubb	140	− 8	Lex Service	321	− 7
Cons. Gold Fields	600	−10	Meltins	110	+ 8
Eglinton Oil & Gas	255	− 5	*Micro Focus*	620	+40
Immed. Bus. Systems	160	+15	RTZ	630	−20

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Glaxo	104	778	−17	ICI	65	524	−10
GEC	94	194	−17	Inter-City Inv.	65	85	− 8
Thorn EMI	80	598	−24	Royal Worcstr.	62	320	+75
BTR	78	512	−18	BP	61	428	−12
Burmah Oil	71	177	− 7	Brit. Aerospace	60	195	+20
Beecham	68	323	−12	Hanson Trust	60	217	− 7
Shell Trans.	67	626	− 2	*RTZ*	59	650	− 5

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Meltins	27	102	− 5	BP	15	428	− 4
UKO Int.	22	97	+14	GEC	15	194	− 4
Burmah Oil	21	177	− 7	Tecalemit	15	46	+17
Turner, Newall	18	66	+ 7	Inter-City Inv.	13	85	+ 2
Edenspring Inv	17	13	+ ½	RTZ	13	650	− 2
Rustenburg Plt.	17	745	−45	Unilever	13	800	+ 8
Tricentrol	16	230	− 4	Shell Trans.	12	626	− 2

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

Pharmaceutical venture in NE

THE British Technology Group's (BTG) North-East Regional Enterprise Board, is investing £250,000 in a *pharmaceutical venture which* will create up to 50 new jobs at Consett, County Durham.

BTG's investment forms part of a £1.3m package, *arranged by stockbrokers* James Capel. It also involves six private sector investors—all institutional clients of James Capel—and a number of founding shareholders.

Britpharm, as the venture is known, will distribute over-the-counter medicines and health care products. It expects eventually to manufacture *items itself*.

هدى اصف الأهل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	65.4	69.3	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Sept 15	61.2	66.0	.....	—
MM Flexible Sept 6	52.6	55.4	.....	—
Fixed Interest Sept 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	293.6	—	.....	—
Invest. Tst. Fd. Acc.	309.8	—	.....	12.3
Property Fund Cap.	117.3	—	.....	—
Property Fund Acc.	123.3	—	+0.1	*4.3
Flexible Fund Cap.	180.4	—	−0.2	—
Flexible Fund Acc.	189.8	—	−0.2	*4.3
Fixed Int. Fd. Cap.	137.2	—	−0.1	—
Fixed Int. Fd. Acc.	144.6	—	−0.1	—
Gtd. Deposit Fd. Cap.	138.8	—	.....	—
Gtd. Deposit Fd. Acc.	145.1	—	.....	—
Equity Fund Cap.	129.0	—	−0.4	—
Equity Fund Acc.	135.4	—	−0.4	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	287.8	.....	—
Property Fund (A)	283.0	.....	—
Agricultural Fund	1,106.0	.....	—
Agric. Fund (A)	1,077.2	.....	—
Abbey Nat. Fund	228.4	.....	—
Abbey Nat. Fd. (A)	227.5	.....	—
Investment Fund	132.5	.....	—
Investment Fund (A)	136.1	.....	—
Equity Fund	409.9	−2.2	—
Equity Fund (A)	402.1	−2.2	—
Money Fund	215.0	+0.3	—
Money Fund (A)	211.1	+0.3	—
Actuarial Fund	221.1	.....	—
Gilt-edged Fund	188.7	+0.3	—
Gilt-Edged Fd. (A)	188.7	+0.3	—
Retire Annuity	352.0	.....	—
Immed. Ann'ty	193.0	.....	—
International Fd.	260.9	−2.5	—
Bldg. Soc. Life Fd.	105.8	.....	—

Property Gth Pens & Annuities Ltd

All W'ther Ac. Uts.	254.0	267.3	.....	—
Inv. Fd. Uts.		294.3	.....	—
Pension Fd. Uts.		250.4	.....	—
Conv. Pens. Fd.		288.1	.....	—
Cnv. Pns. Cap. Ut.		216.4	.....	—
Man. Pens. Fd.		327.0	.....	—
Man. Pens. Cap. Ut.	255.6	—	.....	—
Prop. Pens. Fd.		279.5	.....	—
Prop. Pens. Cap. Uts.		212.6	.....	—
Bldg. Soc. Pen. Ut.		251.1	.....	—
Bldg. Soc. Cap. Ut.		193.8	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	197.4	207.8	−0.1	—
Property	151.5	159.5	+0.1	—
Equity	224.9	235.8	−0.2	—
International	208.9	219.9	−1.3	—
Fixed Interest	164.9	173.6	+0.5	—
Index Linked	97.3	102.5	+0.6	—
Cash	130.2	137.1	+0.1	—
Pension Managed	229.9	242.0	−0.9	—
Pension Property	153.6	161.7	.....	—
Pension Equity	263.8	277.7	−2.0	—
Pension Intl.	250.1	263.3	−2.0	—
Pension Fxd. Int.	173.9	183.1	+0.8	—
Pension Index Linked	98.3	103.5	+0.4	—
Pension Cash	146.3	154.0	.....	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

	Series (2)			(1) Bid
Index Linked Fund	101.7	107.1	+0.3	101.9
Equity Fund	292.2	307.6	−1.6	292.5
Fixed Interest Fund	194.2	204.5	+0.8	194.4
Property Fund	212.6	223.9	.....	212.9
International Fd.	176.1	185.4	−0.3	176.2
Deposit Fund	143.3	150.9	.....	143.6
Managed Fund	233.5	245.8	−1.4	233.6
Int. Bond Sept 3	—	—	.....	£21.36

Series (2) Prices are for policies issued after 11/7/1982.
Series (1) These are bid prices for earlier policies.

Individual Pension Funds

Index Linked	125.0	131.6	+1.3	—
Equity	142.6	150.2	−1.0	—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unidlr Trust	46.7	46.5	+0.7	11.10
Unidollar Trust	$16.09	17.29	.....	1.50
Unibond Trust	$87.35	88.07	.....	10.80

1, Thomas St, Douglas, Isle of Man. 0624 23252

Uni-Australian Tst.	81.1	87.3	.....	1.30
Uni-Aust. Mineral Tst.	74.5	80.2	.....	1.40
Uni-Pacific Trust	170.7	183.6	.....	—
Uni-International Tst.	72.9	79.5	.....	1.40

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC** Sept	$840.25	64.06	.....	—
COUNT** Sept	$£3.774	4.005	.....	1.312
CANRHO** Sept	$£2.611	2.769	.....	—

Original issue *$10 and **£1. Next val. October 3.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Aug 31	Y42,700	42,900	.....	142,739
Nippon Fd Sept 14	$28.22	29.47	.....	0.91

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds:

AmSmallerCos.Fd.	$2.292	2.465	−0.014	—
Dollar Inc Fd.	$0.793	0.849	+0.001	11.00
$ Mngd Curr'cy Fd	$ .44	9.96	+0.03	6.30
First Intnl	$20.44	21.58	.....	—
Gold Fund	$1.197	1.311	−0.006	4.04
Normandie in SFdr	$12.12	13.04	.....	—

OFFSHORE AND OVERSEAS

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	1983 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
102$\frac{7}{16}$	100$\frac{1}{8}$	Exch. 13½pc '83	100$\frac{3}{8}$	......	13.42	9.50
100$\frac{7}{16}$	98$\frac{11}{16}$	Exch. 10pc 1983	100$\frac{1}{16}$	......	9.99	9.43
99¼	96¼	Funding 5½pc '82-84‡‡	99$\frac{3}{16}$	+$\frac{1}{16}$	5.55	7.98
101¼	99½	Exch. 11¼pc 1984	100$\frac{23}{32}$	+$\frac{1}{16}$	11.17	9.21
104⅜	100$\frac{31}{32}$	Exchequer 14pc 1984	102$\frac{17}{32}$	−$\frac{1}{8}$	13.65	9.81
95$\frac{3}{16}$	92½	Exch. 3pc 1984	95⅝	+¼	3.14	9.12
102$\frac{13}{32}$	100$\frac{1}{32}$	Treasury 12pc 1984	102xd	+$\frac{1}{16}$	11.76	9.87
107$\frac{13}{32}$	104$\frac{13}{32}$	Treasury 15pc 1985	105$\frac{31}{32}$	+$\frac{1}{8}$	14.16	10.32
107	101$\frac{1}{16}$	Exch. 12pc Cnv. '85	102$\frac{7}{16}$xd	......	11.72	10.23
92⅞	88⅝	Treasury 3pc 1985	92⅞	+⅛	3.25	7.94
102$\frac{3}{16}$	99⅝	Treasury 11½pc 1985	101$\frac{13}{32}$	+⅛	11.30	10.33
102	95	Treas 8¾pcCnv '85	98¼	......	8.91	9.73
103⅝	100½	Exch. 12¼pc 1985	102$\frac{13}{32}$	+⅛	11.91	10.63
102$\frac{5}{16}$	99$\frac{3}{16}$	Exch. 11¾pc '86	101$\frac{13}{32}$	+⅛	11.53	10.79
42$\frac{13}{32}$	40	Tr. 10pc Cnv'86 (£40pd)	42⅝	......	10.01	10.02
88½	85⅝	Treasury 3pc 1986	87⅜	+¼	3.43	8.36
101$\frac{13}{32}$	97$\frac{3}{16}$	Exch. 10½pc Cv '86	99$\frac{7}{16}$	......	10.56	10.72
103$\frac{13}{32}$	100$\frac{1}{16}$	Treasury 12pc '86	102$\frac{3}{16}$	+$\frac{1}{16}$	11.75	11.60
95⅞	94⅝	Treasury 8½pc '84-86‡‡	95⅞	......	8.91	10.41
114	103¼	Treas. 12¾pc '86 Cnv.	103	+¼	11.35	8.94
109$\frac{3}{16}$	105$\frac{3}{16}$	Exch. 14pc 1986	106$\frac{13}{16}$	+$\frac{1}{16}$	13.11	11.51
107¼	103⅝	Exch. 15¼pc 1987	105$\frac{3}{16}$	+$\frac{1}{16}$	12.61	11.30
98¼	95⅞	Tr 10¼pc Cv '87	99$\frac{1}{16}$	......	10.45	10.92
84$\frac{3}{16}$	80¼	Exchequer 2½pc 1987	82$\frac{5}{16}$	+$\frac{1}{16}$	3.07	8.82
100$\frac{1}{16}$	95⅞	Exch. 10½pc 1987	98¼xd	+⅛	10.69	11.12
93¼	88⅛	Funding 6½pc '85-87‡‡	88½	+⅛	7.35	10.38
20⅛	20	Treas 10pc '87 (£20pd)	20⅛	+½	10.31	11.00

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا في الأصل

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	16	−1	—	—	—
50	32	Allstate Expln NL	48	−2	—	—	—
25	11	Balmoral Resources	17½	......	—	—	—
60	37	♥Black Hill Mins	51	−2	—	—	—
85	51	♥Bond Corp.	78	−3	Q010c	2.3	7.7
183	116	♥Bougainville Kina	154	−2	Q14c	1.2	14
372	204	♥CRA 50c	350	−3	Q3c	—	0.5
145	60	♥Carr Boyd 20c	87	−2	—	—	—

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	55	Admiral Mines	55	−5	—	—	—
90	34	♥Anglo-Dominion	78	......	—	—	—
93	54	♥Anglo Utd. Dev.	70	+5	—	—	—
169	60	♥Colby Res Corp.	140	......	—	—	—
530	315	Cons. Murch. 10c.	530	......	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	226	−1	3.75	2.1	2.2
210	103	♥Highwood Res	210	+20	—	—	—
£24½	£18	Homestake Mining $1	£22¾	−½	hQ20c	—	0.6
495	330	Northgate C$1	385	−10	—	—	—
672	457	R.T.Z.	630	−20	†17.0	1.9	3.9
£147½	£108	Do 8½%CnUnLn '95-2000	£137½	−3½	Q8½%	21.4	f7.0
190	13	♥Sabina Inds C$1	115	......	—	—	—
		For Southwest Res see Oil & Gas					
710	312	♥Tara Exptn $1	680	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ¢ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ⊕ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- $ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

OPTIONS

3-month Call Rates

Dunlop	6	Racal Elect.	45	RCA	7
Eagle Star	45	R.H.M.	7	Premier	6½
F.N.F.C.	6	Rank Org. Ord.	20	Shell	55
Gen. Accident	45	Reed Intnl.	32	Tricentrol	22
Gen Electric	20	Sears	8½	Ultramar	68
Glaxo	75	T.I.	16		
Grand Met.	32	Tesco	16	Mines	
G.U.S. 'A'	50	Thorn EMI	55	Charter Cons.	30
Guardian	50	Trusthouse	18	Cons. Gold	60
G.K.N.	18	Turner & Newall	7	Lonrho	10
Hawker Sidd	32	Unilever	70	Rio T. Zinc	65

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES

Saturday September 17 1983

MAN IN THE NEWS

Lebanon's amateur politico

BY PATRICK COCKBURN

OUTSIDE THE family palace of Mr Walid Jumblatt at Moukhtara, set high in the mountains to the east of Beirut, his Druze followers were sharing out arms and equipment last week. Every man who could carry a gun seemed eager to fight in the war in which the 250,000 Druze community has defeated the Christian Militia which entered their mountain strongholds on the heels of the Israeli army last year.

The beneficiary of this victory is Walid Jumblatt, whose tall shambling figure has suddenly become critical to the future of Lebanon. No government with real authority can be formed in future if he opposes it.

President Gemayel and the Christian leaders have paid a heavy price over the last two weeks for under-estimating the Druze leader and the strength of the Syrian-backed coalition he commands.

Only 36 years old, Walid Jumblatt inherited his role as hereditary leader of the Druze when his father was assassinated in 1977. For a long time it seemed the burden was too much for him. His father was not only a chieftain with semi-feudal authority over his followers, but a social reformer *and mystic who led a coalition* of Moslems, Leftists and Palestinians which came near to victory in the 1975-76 civil war.

In the years after Kamal Jumblatt was assassinated it seemed to become clear that his son was neither capable nor willing to play the same role. Despite their alliance with the

Walid Jumblatt

Palestine Liberation Organisation the Druze did not resist the Israeli advance last year and, although Walid stayed in Beirut for much of the siege, he did not play a glamorous part in events. He was given to making contradictory comments until Lebanese and foreign observers alike ceased to take him very seriously.

This was a mistake. For all his contradictory statements and somewhat unnerving physical resemblance to Coco the Clown, Walid Jumblatt has always been an intelligent man and one who has skilfully strengthened his political and military position over the last year. Many Christian leaders now bitterly regret not trying harder to cultivate an alliance with him last year.

In part his strength comes from the unity of the Druze, an Islamic sect centred in Lebanon. They feared extinction as a community when Christian militiamen moved into their mountains and valleys last years. Mutterings against Mr Jumblatt died away as spiritual leaders, village elders and other important Druze families united behind him in opposition to Christian supremacy.

His position was further strengthened as he moved very close to the Syrian Government despite the widespread belief in Lebanon that they had a hand in the demise of his father.

In Beirut he was repeatedly denounced as a Syrian stooge, often by politicians who did not understand that Israel was cutting back its role in Lebanon leaving a political vacuum which Damascus intended to fill. The Druze got all the arms and equipment they wanted from Syria, while maintaining friendly relations with the Israelis.

When the Israeli army pulled out of the Druze heartlands in the Chouf mountains a fortnight ago Mr Jumblatt and his men were well positioned to take back what had been lost the year before. The speed and extent of their victories may have surprised them but, whatever the outcome of ceasefire talks, Mr Jumblatt is well and truly established as key to the establishment of any stable government in Lebanon.

GEC and STC to axe telecommunications jobs

BY JASON CRISP

TWO OF Britain's leading telecommunications manufacturers, GEC and Standard Telephones and Cables, an*nounced nearly 700 job losses* yesterday.

GEC Telecommunications is cutting 300 jobs at its Coventry factory on top of 550 losses there last year because it is ending the manufacture of electro-mechanical telecommunications equipment in the city. Over the last 10 years there have been major job reductions at GEC, and other manufacturers because of the rapid change from electro-mechanical to electronic exchanges. The latest cuts will bring the workforce at GEC's main switching factory in Coventry to 4,300 by next March.

Standard Telephones and Cables is making a major cut in the staff which market, sell and maintain communications equipment. The company blames *the increased competition which* has resulted from the Government's liberalisation of the UK telecommunications business.

STC is to reduce manning levels in its business communications division by a total of 390, although some staff will be re-employed elsewhere in the group. The people affected all work for STC Business Systems, which was formerlly ITT Business Systems. The cuts will substantially reduce STC sales and marketing staff in business systems such as private exchanges, teleprinters and facsimile equipment.

STC Business Systems' manufacturing side, recently transferred to another part of the company, is not affected.

STC said the cuts were *needed to enable it to remain* competitive in the liberalised markets. In addition, despite "relatively buoyant sales," technological changes had been reducing the added value of the equipment.

The cuts also resulted from a reorganisation of STC Business Systems' activities which would now be based on one site at Foots Cray in Kent. There will be 75 jobs lost at Brighton, 50 at Cockfosters, North London, and 105 at Foots Cray. A further 160 jobs will be cut from the sales, field engineering and installation staffs.

Sinclair launches pocket-size flat-screen television for £80

BY JASON CRISP

Sir Clive Sinclair, Britain's best known electronics entrepreneur, yesterday launched his long-awaited pocket-size, black-and-white television set.

The set, which uses a special flat screen, is no bigger than a paperback book and weighs 9.5 oz. It has taken nearly seven years to develop at a cost of £5m which includes finance from the National *Research and Development Cor*poration. It will shortly go on sale at £80.

Production is just beginning and it is likely that little more than 10,000 sets will be made before Christmas. The TV is being made by Timex in Dundee, using automated equipment developed by Sinclair Research, Sir Clive's company.

Timex is also the major manufacturer of Sinclair Research cheap computers, the ZX81 and the Spectrum. Production capacity for the TVs at Timex is 1m a year, although it will be some time before this is reached.

Sinclair Research plans to launch the television in the U.S. next year and another production is likely to be needed to cope with the demand. Sir Clive said yesterday: "I believe it *. . . can achieve for television* what the transistor radio did for wireless."

Almost all the circuitry has been reduced to a single custom-built microchip made by Ferranti in the UK. "The chip is an amazing piece of technology . . . and there are probably more patents on its than on any other chip in the world," Sir Clive said. It enables the *TV automatically to receive* transmission in almost any country except France.

A special slim lithium battery has been developed for Sinclair by Polaroid. The battery will cost about £3.30 and give 15 hours' viewing. Sir Clive says the TV is smaller, lighter, brighter and longer lasting than any competitors.

The main competition is the Watchman, made by Sony, the Japanese consumer electronics company. The Watchman costs £249 in the UK but a new version in the U.S. will cost $200 (£133). The other competitor in the market is Casio, with a wrist-watch screen at about $235. This has a separate and fairly large pocket battery pack.

The Sinclair flat-screen TV will go on show at the Great Home Entertainment Spectacular which starts in Olympia, London, tomorrow. It will be available on mail order in small numbers after the show. It is planned to take requests for the televisions and billing will not take place until stocks are available. In the past Sinclair Research has been criticised for long waiting times for its computers soon after they were launched.

The TV measures 5.5in by *3.5in by 1.25in. The company* claims it can be used on a train and sometimes in a car.

Demand for the Sony Watchman has been more than expected in spite of its higher price. Sony is believed to be producing about 200,000 a year in Japan. Sinclair Research believes it can sell more than 1m a year worldwide.

The product could be a boost to Sinclair's fast-growing sales. In less than four years it has achieved a turnover of £54.5m with small computers. Price wars in this sector, particularly in the U.S. have begun to affect Sinclair's sales.

Sinclair's computers are sold by Timex in the U.S., which has reported a sharp drop in demand. Timex may also negotiate with Sinclair for rights to sell the flat-screen TV.

Background, Page 3

Coins will give small investors chance to hold platinum

BY CLIVE WOLMAN

PRIVATE INVESTORS around the world are soon to be offered the chance to hold platinum in the same way they can hold gold coins. The move, by Impala and Rustenburg, the two largest platinum producers in the world will make available platinum coins to the small investor for the first time in a century.

Ayrton Metals, the Impala marketing subsidiary plans to launch platinum coins early in November. About 25,000 one ounce coins, called nobles, will be offered for sale according to Mr Kerr Cruikshanks, manager *of the coins division of Inter*gold the marketing arm of the South African Chamber of Mines. Further coins will be minted in the UK to meet demand expected from West Germany and Switzerland.

Rustenburg is to offer a range of small platinum ingots, up to 10 ozs, in the UK next Wednesday through its exclusive marketing agent, Johnson Matthey. The ingots were first marketed on a large scale in North America a year ago and, according to Rustenburg's annual report, sales have been going well.

The bid by the two platinum producers to challenge gold's position as the only precious metal held in significant quantities by private investors represents part of their effort to run down large stockpiles built up during the recession.

Members of the South African Chamber of Mines, and the government of the Isle of Man, *where the coins will be legal* tender, confirmed the Impala plans to market platinum coins. But Mr John Bentley, marketing manager of Impala (Europe) declined to comment yesterday.

The coins will be on sale in the UK, Europe and the U.S. Their price will fluctuate in line with the market price of platinum but purchasers will have to pay a premium over the price of the raw metal. The premium is expected to be greater than that of the gold Krugerrands.

The recent rise in the price of platinum from last year's low is expected to encourage demand from investors. Both the major South African producers still have stockpiles of between three and six months surplus to their marketing requirements, according to Mr Philip Taylor, the mining analyst at stockbrokers Rowe and Pitman.

Mr Cruikshanks said yesterday in Johannesburg that he did not expect platinum coins to represent a serious threat to the Krugerrands, of which about 3m ounces will be sold this year. "The supplies of platinum are so small that even if things go well for them, they could only sell perhaps 200,000 ounces a year," he said.

Investing in platinum, Page 9

Continued from Page 1

BP share issue

a fall over the week of 10.7 points.

The offer was delayed at the last minute by BP's surprise announcement that it was to sell off 12 per cent of the Forties Field, BP's most lucrative North Sea asset—10 per cent by tender—to aise a minimum of £260m. The offer was intended to be particularly attractive to companies which wished to recoup tax credits gained as a result of past exploration costs. Within days the Chancellor moved to close the tax loophole.

But yesterday Mr John Brown, commercial manager of BP Exploration, said of the Fortes Field proposals: "We see no reason to change any part of the original basis of the sale—and that includes the price. Our advisors, Lazard Brothers, are having a good response from interested companies."

The most controversial aspect of the Government's BP share sale is the decision to adopt the tender method. The Government chose this method because it believes it will ensure it obtains the highest price for its shares. Lord Rockley, head of the corporate finance section of Kleinwort Benson, one of the underwriters, said yesterday: "The tender is a form of political protection. It does ensure that the Chancellor will get the best price."

The same method was used in the Government's flotation of Britoil last year. That sale failed to attract the public interest, and more than 70 per cent of the shares were left with the underwriters.

To attract small investors, the Government has inserted a clause permitting those applying for not more than 1,000 shares to make "a striking price application." This means the applicant will not have to guess at a likely striking price, but will simply be allotted shares at whatever price is decided by the *Government and its advisors.*

As a further sweetener all applicants will have to pay only £2 per share by the closing date of September 23. The remainder will be payable by January 11 1984.

Continued from Page 1

ICI

dian subsidiary. The group is also continuing exploration for oil and gas off Eastern Canada.

The company's stake in the lease containing part of the Point Arguello discovery was sold to Champlin Petroleum, a subsidiary of the Union Pacific Corporation. The group's Gulf Coast properties have been bought by APP Production, Park Oil and Gas, and the Thomson-Montieth Partnership of the U.S.

Trading profits from the group's worldwide oil and gas operations dropped by £10m last year to £73m. Sales were £1.1bn. In the Gulf of Mexico exploration was greatly cut in 1982 because of weak demand for gas.

ICI's interests off California had been a source of widespread speculation earlier this year, with many observers saying that the company might reap tremendous profits.

"So much for the California bonanza," said one leading oil analyst in London yesterday. "They probably won't realise what theyy paid for the interests."

Argentine airline loan clears debt rescue path

By Peter Montagnon, Euromarkets Correspondent

ARGENTINA'S commercial bank creditors yesterday *signed an agreement to re*schedule about $220m (£146m) owed by the state airline Aerolineas Argentinas. This will clear the way for disbursement of the $1.5bn loan the country is to receive as part of a multi-billion-dollar package to relieve its huge indebtedness.

The signature in New York, means that arrangements to reschedule a total of $6bn in public sector debts have become operational. Thus ends *nearly a year of negotiations* made the more difficult in the aftermath of the Falklands crisis.

Creditor banks have also agreed to defer for one month repayment of $300m—with regard to the $1.1bn short-term bridging loan granted to Argentina this year. This will bring repayments on the bridging loan back into step with disbursements from a $2.2bn loan to Argentina from the International Monetary Fund.

These two developments *will trigger the disbursement* of the $1.5bn, five-year loan put together by all the banks to which Argentina owes money. About $150m is due to come from banks in the UK. Argentine officials said yesterday they expect to ask formally for disbursement early next week, and the first $500m should be handed over by the end of the month.

***Outline agreement on* Argentina's rescheduling package was reached last December. Since then, there have been many setbacks while controversy raged over British participation in the loan late interest payments by Argentine borrowers and over complaints by some creditor banks abroad that they were being unfairly treated in liquidation proceeding against Celulosa, an ailing paper manufacturing in the private sector.**

Foreign creditors of Celulosa faced having to wait 15 years to recover any money under Argentina's bankruptcy laws but, on Thursday, the Military Legislative Commission in Buenos Aires recommended in broad terms that such discrimination should end. It is understood that this was enough to secure signature of the loan to the airline.

***Argentina expects the air*line deal to be followed soon by similar agreements for the state itself ($800m), the state oil company YPF ($2bn) and the national development bank BND ($600m).**

Weather

UK TODAY

SHOWERS. Sunny intervals. Rain later. Windy. Temperatures near or above normal.

London, E and SE England
Showers. Sunny intervals. Max 18C (64F).

Central Highlands, Moray Firth, NE and NW Scotland, Orkney, Shetland
Cloudy. Sunny intervals. Showers. Gales. Max 16C (61F).

SW England, S Wales, N Ireland
Showers. Cloudy with rain later. Gales. Max 18C (64F).

Rest of England and Scotland, N Wales, IoM, Channel Isles
Showers. Sunny intervals. Cloudy with rain later. Max 18C (64F).

Outlook: Unsettled. Cold. Windy.

WORLDWIDE

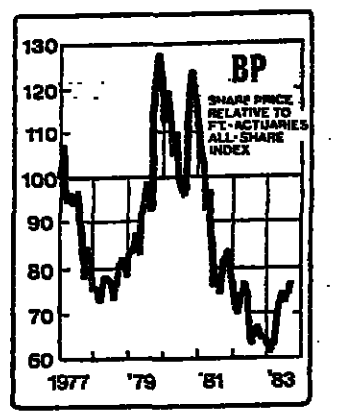
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	28	82	Madrid	S	23	73
Algiers	S	31	88	Luxmbg	R	13	55
Amsdm	F	16	61	Majorca	S	29	84
Athens	S	29	84	Malaga	S	27	81
Bahrain	S	36	97	Malta	S	30	86
Bactna	F	26	79	M'chstr	R	15	59
Belfast	C	15	55	Melbne	F	18	64
Belgrd	S	30	85	Mv. Ct	—	—	—
Biarritz	C	16	61	Miami†	F	24	75
Berlin	F	18	64	Milan	T	17	63
Binghm	C	15	59	Montrl.†	C	10	50
Blackpl	F	15	59	Moscow	F	17	63
Bombay	F	28	82	Munich	R	11	52
Bordx	F	19	66	Nairobi	S	29	84
Boulgn	R	15	55	Nantes	S	25	77
Bristol	F	15	59	Nassau	—	—	—
Brussels	S	15	59	Nwcstl	F	15	59
Brussels	S	15	59	N. Delhi	R	31	88
Budpst	F	24	75	Nice	C	22	[illegible]
Cairo	S	33	91	N York†	S	16	61
Cardiff	F	14	57	Nicosia	R	15	59
Chicg.†	C	15	59	Nicosia	R	15	53
Chicg.†	C	15	59	Oporto	C	19	66
Cologne	F	19	66	Oslo	R	13	55
Cpnhgn	F	16	61	Paris	R	15	59
Corfu	S	29	84	Peking	S	27	81
Dallas	S	22	72	Perth	F	19	66
Dublin	R	14	57	Prague	C	14	57
Dbrvnk	S	25	77	Rykjvk	C	9	48
Ednbgh	R	15	59	RioJ'ot	—	—	—
Faro	S	27	81	Rome	F	25	77
Florence	F	27	81	Salzbrg	R	13	55
Frankft	F	18	4	S'cisco†	C	14	57
Gibrltr	S	32	90	Singapr	R	28	82
Geneva	C	15	53	S'tiago†	—	—	—
Gl'sg'w	F	15	59	Stckhm	F	17	63
G'rnsey	F	14	57	Strasbg	R	14	57
Helsinki	C	15	53	Sydney	C	16	61
H Kong	F	32	90	Tangier	S	25	77
Innsbrk	R	12	54	Tel Aviv	S	29	84
Invrnss	F	15	53	Tenerife	C	24	75
I.o Man	F	15	59	Tokyo	C	21	70
Istanbul	F	25	77	T'r'nto†	R	13	55
Jersey	F	15	59	Tunis	F	34	93
Jo'burg	S	26	79	Valencia	S	32	97
L. Plma	F	25	77	Venice	F	22	72
Lisbon	S	22	72	Valencia	S	32	90
Locarno	R	15	59	Vienna	F	20	68
London	F	15	59	Warsaw	F	24	75
L. Ang.†	C	21	70	Zurich	F	12	54

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

No rest for the tender

Index fell 2.7 to 694.2



The curious wrangle over North Sea tax allowances served to postpone the BP offer for sale by only 24 hours, and the underwriters settled onto their telephones first thing yesterday morning. In most essentials the issue is straightforward; there is no preference for existing shareholders, and no particular marketing effort in the U.S. The offer follows a long tradition in being partly paid, and a considerably shorter one in being in tender form. Even this possibility had seeped into market expectations over the preceding days, to judge by the narrowness of the reaction in the share price, down 2p to 426p.

The Government has clearly not forgotten the political embarrassment of the Amersham *sell-off*. Yet, at first sight, the decision to use the tender method looks a little odd where the market price of a share is already established, and indeed discounts the imminence of a sell-off of a stake of some £500m. In such circumstances it should be possible to pitch the discount finely enough to excite plenty of interest and not give too much away to the stags.

Yet no issuer can predict the market price of a stock a week ahead, and all that is lost by a method that cuts out the stags is the razzmatazz. On this occasion applicants for BP stocks will compete on price rather than on number of applications. Given the size of the BP offer, it may prove an interesting test of the importance, or otherwise, of the extra excitement injected into an issue by stagging.

But the BP offer is not a pure tender, more a hybrid. If the market moves up between now and Friday morning, the Government is set to reap the benefit. If the market falls, the City institutions who have underwritten the issue will pick up the pieces. The minimum tender price, at 405p, is only 10p or so below the level at which a fixed price would have been pitched. The effective discount is rather greater than it looks, since successful applicants will obtain stock partly paid, and without paying commission or stamp duty. Nevertheless, even at an underlying discount of nearly 9 per cent, a fairly common reaction among sub-underwriters yesterday was that the offer was tightly priced.

That complaint arises from the state of the market, which has been looking less than buoyant in recent weeks. If the whole market does turn sour next week, the institutions will feel bitter about their underwriting role, given the previous debacle of the Britoil launch.

The consequence would be to reduce the City's willingness to co-operate in future privatisation moves, such as British Telecom's. That the Government is taking this risk is the more curious, given the potential flexibility it has with the tender method. Perhaps it would have been better to have dispensed with the underwriting altogether, saving £6m in the process.

Over the last year, investors have become a great deal more accustomed to tender offers, while issues have become adpet at achieving a striking price designed to produce a healthy after-market. The BP offer incorporates a couple of devices that may make it rather more difficult to find the right striking price. The warning given to applicants that preference in the allotment will be given to higher offers is designed to drive up the general price level. At the same time there is *likely* to be a body of small shareholder applications at the striking price, wherever that may be. So the Government's advisers will need to hit a price which ensures that all parties are satisfied.

If there are difficulties on this front, the use of the partly paid formula will probably tend to exacerbate them, since the new shares are geared vehicles. Past history offers little encouragement, with both the 1979 BP and the Britoil aftermarkets languishing till the partly-paid shares were out of the way. For the Government, a poor aftermarket would serve to sour the environment for future privatisations, though perhaps not to the extent of an issue flop. But last night the steadiness of the share price suggested that these worries are still far below the surface.

Blackwood Hodge

Few City analysts looked at Blackwood Hodge's interim results yesterday, having relegated its shares, now at 15p, to the status of a speculative option. Even on this basis, most new investors will be hoping to ride a fall in interest rates rather than any recovery in its commercial fortunes — the group's pre-tax losses of £4.3m in the half year to June, against a £1.1m profit, have been struck after an interest charge of £6.6m and some reduction here looks the best bet for a slight recovery later this year. Outside the stock market, however, these results will be viewed with real concern for a group which is still the world's biggest distributor of earth-moving equipment.

Trading margins have shrunk from 5.8 to 2.7 to 1.8 per cent over the last 3½ years, as retrenchment moves have trailed along in the dust of a 22 per cent slide in total sales, most particularly exports from the UK and France. The group's dilemma is now acute. It must reduce its debt mountain, currently around 158 per cent of shareholders' funds, to curb interest costs. But heavy *reductions in working capital* may permanently cripple the group's ability as a distributor to take off with any future recovery in demand.

Presumably its bankers—led in the UK by Midland's Clydesdale Bank subsidiary—have pushed the second option, since stocks have been cut from £121m to about £100m in the latest six months. The gross margin on new and used equipment sales has reportedly been 10 per cent, not much less than a year ago. But its seems inconceivable that such rapid destocking could continue across the board without very heavy price discounting, as the group's own Canadian subsidiary has warned in its interim statement. This might prompt a nasty message about the balance sheet at the year end.

The sales network is being subjected to the same treatment as the stocks, but there is nothing else to sell. With neither a glimmer of an upturn in its markets nor any real hope of fresh capital, the group's market capitalisation now stands at £11.9m.